ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 N. Lynn Street
Arlington, VA 22209
(703) 841-8136

58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios All Printers by Sales Volume

+

Management Guide to Using the PIA Ratio Studies

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Printing Industries of America Inc.

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Offices:
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NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA financial ratios for all printers who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of printing firms by size categories — for example, sales from $250,000 to $500,000, from $500,000 to $1,500,000, etc.

Thus, the user of the report can direct himself to the standards for his size firm in the Report on Operations based on Value Added and its Supporting Schedules, Report on Operations based on Sales and its Supporting Schedules, Balance Sheet, Significant Facts and Return on Investment.

The data in the current studies is based on questionnaires completed by 1,071 printing firms throughout the United States and Canada. This is in comparison to 936 printing firms in 1980 and represents a 14% increase in the number of participating firms. As in past years, the 1981 Ratio Studies also contain timely articles on financial accounting and management.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company
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1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Nonheatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Director Management Services
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Table of Contents

Page Number

Foreword 2
Management Guide to Using the PIA Ratios 4-7
Coping With the Economy 8
Value Added — What It Means To You 9
Report on Operations — Value Added = 100% 10-11
Supporting Schedules — Value Added = 100% 12-13
Report on Operations — Sales = 100% 14-15
Supporting Schedules — Sales = 100% 14-17
Meaning of Significant Facts 18-19
Significant Facts 20-21
What Balance Sheet Ratios Show 22-23
Balance Sheet and Balance Sheet Ratios 24-25
Return on Investment 26-28
Return on Investment (ROI) Chart — All Printers 29
Return on Investment — Per $100 of Sales 30-31
Absolute Data 32

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	**Sales**	**Factory Payroll**	**Firm's Ratio Factory Payroll**	**PIA Ratio Factory Payroll**
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

Management Guide to Using the PIA Ratio Studies

Harris R. Margolis, CPA

Guide to Higher Profits

The principal purpose of the PIA Ratio Studies is to guide you to higher profits. To accomplish this, of course, you must know exactly how to use the Studies. We have illustrated below the Statement of Operations and the Balance Sheet of a hypothetical printing firm with annual sales of $1 million.

Ratios Convert Dollars to Percentages

Note, first, that these financial statements are presented both in dollars and percentages. Dollars are more meaningful to you because these are what you are dealing with, and your financial statements are in dollars. But converting them to percentages — on total sales, value added or total assets — enables you to evaluate your financial statements in comparison with the PIA Ratio Studies.

Thus, the Ratio Studies are not in dollars but are presented in percentage form. These percentile statements are expressed in accounting terminology as "common size" statements to permit every printing firm to compare its financial statements, other ratios and significant facts to the PIA Ratio Standards. This is the beauty of these analyses. We are no longer dealing in dollars, which are different in amount for each firm, but in "common size" statements — each with a base of 100%, the same base for every firm.

Using the Ratios

Here is a stepwise procedure for using the PIA Ratios:

1. Prepare your Statement of Operations and Balance Sheet in dollars and in percentages, as in our illustration.
2. Compare your percentages in every case with the PIA High Profit standard in your sales category. These figures are on pages 14 and 24 of this study.
3. Then make the following comparisons:
   - Value Added produced by this firm's sales.
   - Cost of factory labor to produce this Value Added.
   - Assets committed per employee and, specifically, per factory employee, and gross plant investment per factory employee.
   - Percentage breakdown of employees among factory, administrative and sales — the anatomy of this firm.
   - Sales produced per employee, and the sales and Value Added produced per factory employee.
   - Sales per salesman.
   - Payroll per employee and as a percentage of sales.
   - Collection period of receivables.
   - Evaluation of the firm's profitability.
   - The firm's return on investment.

In the following pages on how to use the Ratio Studies, we will analyze a hypothetical firm's operations as if it were real to us. Some of our conclusions are absolute, while others reflect our inclinations with which you may disagree. But this is what the Ratio Studies really are all about. They provide clues rather than answers — clues with which you can find solutions to your problems.

STATEMENT OF OPERATIONS	"XYZ" COMPANY		PIA HIGH PROFIT STANDARDS ($500,000-$1,500,000)	DIFFERENCE MORE (LESS)
	Dollars	% of Sales		
SALES OR VALUE OF PRODUCT PRODUCED	$1,000,000	100.00%	100.00%	—
FACTORY COST OF PRODUCT				
MATERAL				
Paper	213,200	21.32	19.47	1.85%
Other chargeable materials	48,800	4.88	5.77	(0.89)
Outside services	87,500	8.75	7.97	0.78
TOTAL MATERIAL	349,500	34.95	33.21	1.74
FACTORY PAYROLL	274,500	27.45	25.72	1.73
FACTORY EXPENSES	118,400	11.84	10.92	0.92
TOTAL FACTORY COST OF PRODUCT	742,400	74.24	69.85	4.39
GROSS PROFIT	257,600	25.76	30.15	(4.39)
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	116,900	11.69	10.96	0.73
Selling expenses	80,200	8.02	7.12	0.90
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	197,100	19.71	18.08	1.63
INCOME BEFORE INTEREST EXPENSE	60,500	6.05	12.07	(6.02)
Interest expense	16,000	1.60	1.46	0.14
OPERATING INCOME	44,500	4.45	10.61	(6.16)
Other income	6,500	0.65	1.25	(0.60)
INCOME BEFORE INCOME TAXES	51,000	5.10	11.86	(6.76)

Analysis of "XYZ Co." Operations

In the following analysis of "XYZ Co." we have used XYZ's dollars as a percentage of sales. The PIA High Profit Standards for the statement of operations and supporting schedules are the standards for XYZ's sales size, and appear on pages 14, 15, 16 and 17 of this study. We have also used the significant facts on pages 20 and 21 to further interpret XYZ's operations.

Materials Cost. Our hypothetical firm is using more paper and outside services than is shown by the PIA High Profit Standard.

	XYZ Co.	PIA Standard
Paper	21.32%	19.47%
Outside Services	8.75	7.97
	30.07%	27.44%

Our firm is using 2.63% more paper and outside services, or so it would seem. Is this actually the case? I think we can say "yes" for the following reasons: As we will note, and discuss in greater detail below, we are using more labor — 27.45% vs 25.72%, or 1.73% more. We could justify the higher paper and outside service cost if we had a correspondingly *lower* labor cost, but this is not the case. Therefore, we conclude that our paper cost is high. Why might this be so?

Pricing — Our selling price may be too low, thus producing a higher relative cost.

Product mix — We might have a different product mix, in which case the problem would not be in materials but elsewhere.

Higher materials cost — It is possible, but not likely, that we are paying more for materials.

Poor materials costing — All of our materials cost may not be reflected on our cost sheets and, therefore, in our selling price.

Spoilage/waste — We may be costing and pricing for spoilage inadequately, and/or have a spoilage/waste proportion which is higher than it should be.

A higher outside service cost is indicative of a value added problem. The concept of value added is discussed on page 9.

Factory Labor. Our factory labor cost is 1.73% more than the corresponding PIA High Profit Standard. We can assume that this is a problem because there are no compensating amounts in the statement. What are the probable causes of this excess cost?

Are we paying more for factory labor? Yes, but not significantly more. Our payroll per factory employee is $17,128, compared with $17,002 — $126 more per employee than the PIA High Profit Standard. Since factory labor costs are roughly the same as the Profit Leaders, we should be producing a similar amount of sales.

Are we producing more or less? Less! Note that our sales per factory employee are $1,000,000 divided by 15 (our number of factory employees), or $66,725. In contrast, the comparable PIA Standard is $70,569 of sales per factory employee — a difference of $3,844. High profit companies produce $1,000,000 of sales with 14 factory employees. This suggests two possibilities: do we have too many factory employees, or do we need all 15 but are not producing enough per factory employee?

Correspondingly, our value added (sales less materials) per factory employee is substantially less than the PIA Standards — $42,573 vs $46,491 or $3,918 less.

Factory Expenses. Our firm's factory expenses are too high — 11.84% vs 10.92% for high profit companies. Where did the 0.92% go?

Essentially, the excess factory expenses consist of:

Building rent	0.22%
Utilities	0.11
Equipment rental	0.12
Other factory expenses	0.26
	0.71
Others	0.21
	0.92%

Each of these excess expense items raises questions for XYZ:

Rent — Cost too high per square foot, or too many square feet per dollar of sales?

Utilities, equipment rental and other factory expenses — Lack of adequate expense control, and/or sales too low for this amount of overhead?

Selling Expenses. Our firm's selling expenses are about one percent too high — 8.02% vs 7.12%, or an actual difference of 0.90%. Our problem can be seen in the following tabulation.

	XYZ Co.	PIA Standard	Difference
Salaries and commissions	3.35%	3.05%	0.30%
Clerical salaries	0.45	0.29	0.16
Travel and entertainment	0.91	0.79	0.12
Other selling expenses	3.31	2.99	0.32
			0.90%

So, in this category, our problem is *compensation* and *travel and entertainment* as it relates to sales produced.

Interest Expense/Other Income. There is a 0.74% difference in profit because of our higher interest expense and lower other income.

Interest Expense:	
XYZ Co.	1.60%
PIA High Profit Standard	1.46
XYZ Higher Interest Cost	0.14%
Other Income:	
PIA High Profit Standard	1.25%
XYZ Co.	0.65
XYZ Lower Other Income	0.60%

On $1,000,000 of sales, the 0.74% swing represents $7,400 of lost profit. It reduces our profit by 15%, to $51,000 rather than $58,400. This is a direct effect of XYZ's balance sheet on the statement of operations — the result of our having less funds and more debt.

Conclusions. In essence, if we are to improve our profit, we must find ways to correct:

Pricing
Materials cost
Factory labor
Factory expense
Administrative and Selling expenses

Quality of Operations. XYZ had $1,000,000 of sales and a pretax profit of 5.10%, while our counterparts, the High Profit standard firms, show a profit of 11.86% on the same sales. It seems absurd that about 2⅓ times the profit could be realized from the same sales volume:

	Sales	*Profit*	*% of Sales*
XYZ Co.	$1,000,000	$ 51,000	5.10%
PIA High Profit Standard	1,000,000	118,600	11.86

Size isn't really that important; there are companies less than half our size with the same pretax profit. In fact, on page 14 under sales class $250,000 to $500,000, there are profit leaders that are achieving 12.65% pretax profit. And they need only $403,162 of sales to realize the same profit as ours. This points up a salient business fact: in a firm's growth, quality should take precedence over quantity.

Summary. We have, of course, barely scratched the surface with this analysis. But it serves to illustrate the value of the ratios. We have uncovered several problem areas in the illustration. With this awareness, management can attack its problems. The end result, with a diligent commitment, should be an increase in profit as a percentage of sales, and an improvement in return on investment.

BALANCE SHEET	"XYZ" COMPANY		PIA HIGH PROFIT STANDARDS ($500,000-$1,500,000)	DIFFERENCE MORE (LESS)
ASSETS	Dollars	% of Total Assets		
CURRENT ASSETS				
Cash	$ 37,944	8.00%	11.43%	(3.43)%
Receivables	157,420	33.19	30.54	2.65
Inventories	61,375	12.94	9.47	3.47
Other current assets	25,185	5.31	7.09	(1.78)
TOTAL CURRENT ASSETS	281,924	59.44	58.53	0.91
FIXED ASSETS				
Real estate	37,849	7.98	8.80	(0.82)
Less: Accumulated depreciation	12,095	2.55	2.73	(0.18)
	25,754	5.43	6.07	(0.64)
Machinery and equipment	303,742	64.04	56.62	7.42
Less: Accumulated depreciation	175,633	37.03	28.38	8.65
	128,109	27.01	28.24	(1.23)
Other fixed assets	38,655	8.15	6.90	1.25
Less: Accumulated depreciation	18,877	3.98	3.12	0.86
	19,778	4.17	3.78	0.39
NET FIXED ASSETS	173,641	36.61	38.09	(1.48)
OTHER ASSETS	18,735	3.95	3.38	0.57
TOTAL ASSETS	474,300	100.00	100.00	—
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	37,090	7.82	5.15	2.67
Accounts payable	69,058	14.56	10.81	3.75
Other current liabilities	39,557	8.34	7.44	0.90
TOTAL CURRENT LIABILITIES	145,705	30.72	23.40	7.32
LONG-TERM LIABILITIES	113,310	23.89	22.18	1.71
TOTAL LIABILITIES	259,015	54.61	45.58	9.03
SHAREHOLDERS' AND PROPRIETORS' EQUITY	215,285	45.39	54.42	(9.03)
TOTAL LIABILITIES AND EQUITY	474,300	100.00	100.00	—

Balance Sheet Analysis

In comparing XYZ's balance sheet ratios with the PIA High Profit Standard, the most significant revelation is XYZ's debt. Our current debt of $145,705, or 30.72%, is 7.32% higher than the standard of 23.40%. We have about $34,700 more of current debt on this basis.

XYZ's problem is not just one of current debt, but also long-term debt, as can be seen by comparing our firm's long-term debt to the standard. The latter is 1.71% lower than XYZ's long-term debt or, in absolute numbers, $8,100 less.

Thus we are funding our company with 54.61% debt vs 45.58% for the high profit firms.

What is our *current ratio?* This is figured as:

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{\$281,924}{\$145,705} = 1.93$$

In contrast, the High Profit current ratio is 2.50. I conclude that our current ratio is a little low (rather see 2.00) and that the High Profit standard is too rich.

In our case, we need more profit, more retention of earnings and improvement (lower) in our *debt to equity ratio* — which is:

$$\frac{\text{Debt}}{\text{Equity}} = \frac{\$259,015}{\$215,285} = 1.20$$

Value Added

XYZ's Value Added is:

Sales	$1,000,000
Materials and Outside Services	349,500
Value Added	$ 650,500

The $650,500 is the value of our own manufacture, or "inside sales." What was the factory labor cost as a percentage of this value added?

$$\frac{\text{Factory labor}}{\text{Value Added}} = \frac{\$274{,}500}{\$650{,}500} = 42.20\%$$

Note that the comparable High Profit Standard is 38.51%. By this standard, only $250,500 of factory labor (rather than our $274,500) should have been incurred to produce a value added of $650,500. XYZ achieved this value added with $274,500 of factory labor, while the PIA High Profit firms produced $712,800 of Value Added with the same labor cost.

Our objective should be to increase Value Added, while improving (lowering) the ratio of factory labor to Value Added.

Assets Committed Per Factory Employee

	XYZ Co.	*PIA High Profit Standard*	*Difference*
Assets per employee	$22,333	$26,739	$4,406
Assets per factory employee	33,850	39,914	6,064
Gross plant investment per factory employee	25,696	28,182	2,486

XYZ is not employing sufficient assets, particularly factory assets per employee. There is a truism that goes, "It takes money to make money." Note that *companies with higher profits invest more assets in their employees.* This is a particular advantage of capital intensity.

If we are to improve our profit as a percentage of sales and achieve a ratio similar to the PIA High Profit Standard, we must improve these statistics; i.e., assets per employee and gross plant investment per factory employee. This is the complement of our balance sheet improvement.

The Anatomy of Our Firm

Employees	*XYZ Co.*	*PIA High Profit Standard*
Factory	15.5	14.6
Administrative	3.5	3.2
Selling	2.4	2.1
Total employees to produce $1,000,000 of sales	21.4	19.9

The most significant difference between our firm and the standard is that we have 0.9 more factory employees. Throughout our analysis, the PIA ratios tell us continuously that we are not as productively efficient as the high profit firms. This is another indication that we are using more factory labor for the same production that these firms achieve.

Sales Per Salesman

Our sales per salesman are $238,566 compared to $249,757 for PIA High Profit firms. This is a significant difference of $11,191 per salesman and we seem to be in difficulty here. There is a possibility that we are too dependent on our sales force and have fewer-than-usual house accounts. Our analysis of selling expenses shows that our sales salaries and commissions are higher, percentagewise, than the PIA High Profit Standard. In summary, this weakness could be caused either by a greater reliance on sales-force-generated sales and/or higher compensation paid for these sales.

Payroll As a Percentage of Sales

Our total payroll as a percentage of sales is 41.08%. Compared with the High Profit Standard of 38.03%, there is a difference of 3.05% — which is over half of our total profit. However, this figure includes all payroll (factory, administrative and sales) and related payroll expenses.

From our review of the significant facts in the Payroll classification, it appears that there are only two variances that merit investigation: the 3.05% difference in payroll from that of the standard, as indicated above; and our factory payroll as a percentage of gross plant investment. In analysis we can speak in dollars rather than percentages.

We spent $0.92 per year in *factory payroll for every dollar of plant equipment* used (gross before depreciation). In contrast, by the standard, only $0.84 would be spent in plant labor for each dollar of factory assets employed. This is further verification of the capital intensity of the High Profit firms which, correspondingly, produce a higher profit.

However, it would be misleading to conclude that this performance characteristic of high profit companies is attributable only to their greater amount of equipment. This certainly is a factor, but one must also consider their return on investment and proper mark-up procedures as the capital proportion of cost increases.

Collection Period of Receivables

Our figure for the collection period of receivables is 54.5 days — not great, but slightly better than the PIA High Profit Standard of 55.3 days. While our average is indicative of good collection and credit procedures and a clue to a satisfactory customer list, our better business judgment tells us that even this performance can and should be improved.

Evaluation of Profitability

Our 5.10% profit is inadequate as it produces only 9.01% return on investment. Moreover, our pretax profit is 6.76% below the PIA High Profit Standard for our sales class. Most of this difference stems from *gross profit,* which is 4.39% less than the standard.

Return on Investment

Our return on investment was 9.01% compared with the High Profit Standard of 17.26%. Our *investment turnover* was 148.90% which is better than the standard of 142.98%. Thus, we got $1.49 of sales per dollar of gross assets rather than $1.43 of sales achieved by the profit leaders.

Generally speaking this is good, but our very poor income before interest, other expenses and taxes obviously is inadequate to produce a satisfactory return on investment. In other words, our profit does not provide an adequate return on investment.

Coping With the Economy

Switch to LIFO

Printers struggle to beat the battle of red ink and produce a profit. Inflation has seriously sliced away profits from most printing firms. But a hidden pirate also gnaws away at after tax income over expenses; namely, the higher replacement costs of materials and supplies.

During healthy economic times, slightly higher replacement costs have little effect on profits. However, today's leap-frogging prices are rising so fast that their bite into profits is significant and must be recognized.

What can printers do? Certainly, you cannot control material and supply price increases. But you can fight back!

Proper inventory accounting methods can save printers substantial tax dollars. And the more material and supply prices increase, the more tax dollars you save.

The majority of printers operate under FIFO inventory, which provides them with higher end of the year after tax profits (on the books) compared to firms using LIFO. Unfortunately, this is "fool's profit"! LIFO, on the other hand, will lead you to lower profits (on the books) and lower taxes, as shown in the following illustration:

	FIFO	LIFO
SALES	100.00%	100.00%
Cost of Goods Sold	71.60	73.60
Income Before Taxes	12.00	10.00
Federal Income Taxes	3.60	2.68
After Tax Profit	8.40	7.32

Remember, FIFO and LIFO only represent the hypothetical flow of goods through your plant. While reported profits can vary significantly using the two inventory methods, true profits (before taxes) to the printer are the same.

Valuing inventory with the LIFO method, a printer says that (in theory) his most recently purchased materials and supplies are the first to be placed into production. Again, during inflationary times, these most recent purchases represent higher dollar figures than the earlier purchases.

These high valued cost factors result in a *more realistic*, lower profit. In turn, *less taxes* are levied and the printer is left with *more money* available to offset his rising prices.

With little hope that an end to inflation is near, printing firms are foolish to continue to report high profits realized under the FIFO method and should take immediate steps to convert to LIFO and accurate pretax profits.

Budget Cuts

Unfortunately, inflation is far from a printer's only financial worry. Recession is also chewing away at printers' profits and in many cases the one-two punch of inflation/recession is enough to knock a printing firm right out of the ring of profit. Recession to a printer means reduced sales. Printers' profits have fallen because of reduced sales and rising costs of operating a business. Consequently, reduced sales must be dealt with by controlling costs. The key is to cut costs and know which costs to cut.

The following illustration shows three different profit and loss statements from a fictitious printing firm. The first column represents healthy economic times including $1 million in sales and a handsome $100,000 income before taxes. But the following year hard times hit and sales slumped to $750,000. The controller of the printing company did nothing to counteract recessionary factors and the net result is a considerable drop in income. The third column dramatically shows how intelligent financial planning can overcome a recession sales drop. The same $750,000 this time brings home a nice income of $98,000.

	Healthy Economic Times	Recessionary Period	After Reduction of Discretionary Fixed Cost and Control of Variable Cost of Efficient Level
Sales	$1,000,000	$ 750,000	$750,000
Factory Costs of Product Material	330,000	247,500	232,500
Factory Payroll			
Fixed-committed	89,000	89,000	89,000
Fixed-discretionary	81,000	81,000	33,000
Variable	136,000	102,000	102,000
Factory Expenses			
Fixed-committed	60,000	60,000	60,000
Fixed-discretionary	18,000	18,000	8,000
Variable	10,000	7,500	7,500
	724,000	605,000	532,000
Gross Profit	276,000	145,000	218,000
Administrative And Selling			
Fixed-committed	35,000	35,000	35,000
Fixed-discretionary	68,000	68,000	27,000
Variable	60,000	45,000	45,000
	163,000	148,000	107,000
Income (Loss) Before Interest And Taxes	113,000	(3,000)	111,000
Interest	13,000	13,000	13,000
Income (Loss) Before Taxes	$ 100,000	$ (16,000)	$ 98,000

Variable expenses (direct costs) are charges that change in proportion to production, sales, or any other measured activity. Examples include paper, ink and other chargeable materials. During a recessionary period, the variable costs will automatically drop as shown above.

Fixed expenses (period costs) remain constant regardless of production, sales or other measured activity. These expenses *must* be reduced to cut your costs when recession hits. Before you can begin to determine where to cut your fixed costs, you need to further segregate them into committed and discretionary fixed costs.

A *commited fixed cost* continues to be incurred through possession of plant, equipment and personnel. Examples are depreciation, property taxes, rent, insurance and salaries of key personnel. The reduction of these costs would be harmful to your printing organization.

A *discretionary fixed cost* arises from appropriation decisions which directly reflect top management policies. Because of its fixed nature, this cost has no relationship with volume. Examples include research and development, advertising, sales promotion, donations, management consulting expenses and employee education programs. These expenses can be eliminated or reduced without (in most cases) seriously affecting the day-to-day operations of the business.

The above illustration serves mainly as an exercise to show how a printing firm must categorize costs in order to determine where reductions can be made. It's a wise (and profitable) printer who understands the behavior of his costs, especially during inflationary/recessionary times.

Value Added — What It Means to You

Statements of Operations and Supporting Schedules, based on *Value Added* rather than sales dollars, appear on pages 10, 11, 12 and 13 of this study. This discussion of Value Added should be related to that material and not to the Statements of Operations and Supporting Schedules which are on pages 14, 15, 16 and 17.

Value Added Defined

Value added is simply your *sales less material costs,* which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services — composition, offset preparation, printing, bindery, etc.

Known By Other Terms

Value added is also known by such other terms as *inside sales, conversion value, inside manufacturing value* and *real contribution to overhead and profit.* Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

Conceptual Understanding of Value Added

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- — Factory labor
- — Other factory expenses
- — Administrative expenses
- — Selling expenses
- — Interest

And then, what is left is a profit. This is different than the basic "cost sheet concept" that we are accustomed to in the printing industry.

And since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to **maximize your value added.**

Let us illustrate this with the following example, in which we are increasing the value added ~~derived from $1,~~000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

Statement of Operations — Value Added: The Better Statement

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than in its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, **the Statement of Operations — Value Added is a better statement with which to evaluate your operations.**

Selling Value Added

The importance of value added to you lies in the basic fact that your eventual profit (after all expenses are paid) is derived from sales of your own manufacture. Your overhead is not met by selling materials, but rather by the manufacturing in your plant.

True, most sales are desirable. But sales that are heavy in materials are less desirable because they contribute less to pay your fixed overhead, which must be covered first before there is any net profit. The sale that is mostly your in-house labor is better because it contributes more to cover fixed overhead. As you can see, the faster your overhead is met by value added, the sooner the excess appears as profit. This is an oversimplification, but it serves to emphasize that what we really want and need are those sales with the most value added.

Your management concept is to maximize value added through the following:

- — Manufacturing policies
- — Purchasing controls
- — Target markets and sales
- — Salesmen's compensation which complements this objective
- — Others

Mark-Ups For Cost and Profit

Understanding the value added concept permits focusing on the mark-up of materials for recovery of its share of overhead. It is essential that materials be priced at their cost plus their proper share of the allocated overhead. As value added is so important, it is imperative that the overhead recovered by materials be correct. The trite 5, 10 or 15% mark-up of materials (so-called handling charges) may or may not be correct. You should determine as a cost-center cost the correct overhead rate to be charged to materials. This is just as important as the correct press hourly rate.

Once this is done, you are looking at a cost sheet that contains materials with their share of overhead and cost-center costs. And now, you must apply the concept of profit mark-up. This will differ as the relationship of materials and manufacturing changes.

Report on Operations—Value Added=100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.32	38.66	39.97	35.33	42.03	36.79
FACTORY EXPENSES	19.03	17.47	21.96	20.54	20.70	19.47
TOTAL FACTORY COST OF PRODUCT	62.35	56.13	61.93	55.87	62.73	56.26
GROSS PROFIT	**37.65**	**43.87**	**38.07**	**44.13**	**37.27**	**43.74**
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	15.81	14.22	20.42	16.19	20.35	18.63
Selling expenses	12.06	10.64	8.03	6.06	9.16	6.41
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.87	24.86	28.45	22.25	29.51	25.04
INCOME BEFORE INTEREST EXPENSE	9.78	19.01	9.62	21.88	7.76	18.70
Interest expense	2.79	2.00	3.32	3.45	2.77	1.90
OPERATING INCOME	6.99	17.01	6.30	18.43	4.99	16.80
Other income	1.07	1.28	1.55	0.19	0.71	0.98
INCOME BEFORE INCOME TAXES	**8.06**	**18.29**	**7.85**	**18.62**	**5.70**	**17.78**

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42.13	38.39	43.43	37.47	45.72	40.91	47.14	42.87
18.11	16.26	18.72	17.11	18.28	16.82	19.99	17.54
60.24	54.65	62.15	54.58	64.00	57.73	67.13	60.41
39.76	**45.35**	**37.85**	**45.42**	**36.00**	**42.27**	**32.87**	**39.59**
17.97	16.37	14.91	13.70	11.39	11.57	10.27	9.33
12.45	10.76	13.63	12.85	12.93	12.83	10.12	10.22
30.42	27.13	28.54	26.55	24.32	24.40	20.39	19.55
9.34	18.22	9.31	18.87	11.68	17.87	12.48	20.04
2.46	2.15	2.91	2.01	2.94	0.99	2.84	1.71
6.88	16.07	6.40	16.86	8.74	16.88	9.64	18.33
0.96	1.87	0.98	1.39	1.34	1.36	1.33	0.85
7.84	**17.94**	**7.38**	**18.25**	**10.08**	**18.24**	**10.97**	**19.18**

Supporting Schedules—Value Added=100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries—executive	3.12%	2.77%	4.12%	2.70%	4.74%	3.87%
Direct wages	29.96	26.35	29.43	27.27	29.41	23.98
General factory salaries and wages	3.63	3.65	2.35	2.19	3.21	4.32
Packing, shipping and delivery wages	1.29	1.18	0.67	0.26	0.68	0.37
Payroll taxes	2.41	2.12	2.18	1.88	2.44	2.73
Employee benefits	2.91	2.59	1.22	1.03	1.55	1.52
TOTAL FACTORY PAYROLL	**43.32**	**38.66**	**39.97**	**35.33**	**42.03**	**36.79**
FACTORY EXPENSES						
Fixed Expenses						
Depreciation—real estate	0.38	0.33	0.25	0.19	0.23	0.33
Depreciation—other	4.29	4.25	5.53	5.37	4.73	4.46
Taxes—real estate	0.30	0.26	0.20	0.07	0.29	0.15
Taxes—other	0.28	0.23	0.23	0.28	0.22	0.15
Insurance	0.93	0.84	1.28	1.36	1.46	1.49
Building rent	2.30	2.12	4.64	4.84	3.61	2.94
Utilities—heat, light, etc.	1.68	1.45	1.83	1.71	1.70	1.24
Equipment rental	0.98	0.83	2.38	2.60	1.88	1.55
TOTAL FIXED EXPENSES	**11.14**	**10.31**	**16.34**	**16.42**	**14.12**	**12.31**
Other Expenses						
Factory supplies and expense	3.00	2.71	1.78	1.40	2.43	2.85
Packing, shipping and delivery expense	1.68	1.62	1.69	1.21	1.33	1.43
Repairs and maintenance	2.06	1.85	1.62	1.06	2.24	2.43
Other factory expenses	1.15	0.98	0.53	0.45	0.58	0.45
TOTAL OTHER EXPENSES	**7.89**	**7.16**	**5.62**	**4.12**	**6.58**	**7.16**
TOTAL FACTORY EXPENSES	**19.03**	**17.47**	**21.96**	**20.54**	**20.70**	**19.47**
ADMINISTRATIVE EXPENSES						
Salaries—executive	4.98	4.76	7.69	6.77	7.56	6.80
Salaries—office	4.03	3.55	4.45	3.41	5.22	5.41
Payroll taxes	0.49	0.41	0.66	0.58	0.69	0.61
Employee benefits	0.81	0.71	0.64	0.32	0.68	0.92
Bad debts	0.68	0.54	0.69	0.52	0.96	0.54
Office supplies and expenses	0.80	0.73	0.89	0.73	0.88	0.91
Professional fees	0.92	0.84	1.41	1.04	1.34	0.96
Taxes—business	0.27	0.25	0.33	0.22	0.35	0.43
Telephone	0.76	0.66	1.29	1.16	1.11	0.88
Other administrative expenses	2.07	1.77	2.37	1.44	1.56	1.17
TOTAL ADMINISTRATIVE EXPENSES	**15.81**	**14.22**	**20.42**	**16.19**	**20.35**	**18.63**
SELLING EXPENSES						
Salaries—executive	2.04	1.95	1.60	1.74	2.35	1.38
Salaries and commissions—salesmen	5.21	4.68	1.73	0.84	2.54	1.74
Salaries—sales office clerical	0.89	0.68	0.24	0.16	0.80	0.32
Payroll taxes	0.35	0.29	0.13	0.08	0.25	0.18
Employee benefits	0.42	0.37	0.13	0.02	0.15	0.14
Advertising	0.70	0.70	1.55	1.79	1.07	1.13
Travel and entertainment	1.44	1.19	1.58	1.19	1.34	1.21
Other selling expenses	1.01	0.78	1.07	0.24	0.66	0.31
TOTAL SELLING EXPENSES	**12.06**	**10.64**	**8.03**	**6.06**	**9.16**	**6.41**

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.26%	3.02%	2.78%	2.70%	2.70%	2.54%	2.24%	1.95%
30.19	27.41	29.96	25.48	30.35	26.18	29.74	27.12
2.94	3.37	3.63	3.15	4.49	3.98	5.82	5.36
1.18	0.92	1.46	1.57	1.70	2.10	1.52	1.28
2.26	1.86	2.46	1.93	2.49	2.33	2.73	2.52
2.30	1.81	3.14	2.64	3.99	3.78	5.09	4.64
42.13	**38.39**	**43.43**	**37.47**	**45.72**	**40.91**	**47.14**	**42.87**
0.29	0.24	0.39	0.40	0.45	0.33	0.77	0.35
4.01	3.92	4.29	4.33	4.18	4.09	3.88	3.98
0.27	0.22	0.29	0.26	0.42	0.38	0.36	0.40
0.29	0.24	0.30	0.20	0.35	0.37	0.26	0.18
1.11	0.90	0.81	0.73	0.64	0.68	0.42	0.30
2.68	2.25	1.91	1.76	1.24	1.40	0.95	0.84
1.51	1.31	1.57	1.22	1.95	1.66	2.14	1.89
0.86	0.66	0.84	0.65	0.37	0.29	0.69	0.32
11.02	**9.74**	**10.40**	**9.55**	**9.60**	**9.20**	**9.47**	**8.26**
2.42	2.26	3.21	2.83	3.72	3.13	4.36	3.75
1.72	1.45	1.68	1.74	1.53	1.46	2.07	2.27
1.94	1.84	2.02	1.77	2.23	1.93	2.53	2.09
1.01	0.97	1.41	1.22	1.20	1.10	1.56	1.17
7.09	**6.52**	**8.32**	**7.56**	**8.68**	**7.62**	**10.52**	**9.28**
18.11	**16.26**	**18.72**	**17.11**	**18.28**	**16.82**	**19.99**	**17.54**
5.69	5.50	4.54	4.57	3.11	3.55	2.08	2.09
4.85	4.16	3.66	3.03	2.83	3.09	2.90	2.65
0.55	0.44	0.46	0.35	0.32	0.35	0.30	0.28
0.85	0.60	0.89	0.87	0.74	0.81	0.78	0.66
0.75	0.68	0.65	0.58	0.60	0.40	0.45	0.36
1.02	1.00	0.74	0.67	0.52	0.53	0.55	0.43
0.95	1.06	0.84	0.79	0.68	0.60	0.65	0.52
0.33	0.24	0.27	0.24	0.16	0.20	0.16	0.22
0.79	0.66	0.68	0.60	0.55	0.51	0.50	0.43
2.19	2.03	2.18	2.00	1.88	1.53	1.90	1.69
17.97	**16.37**	**14.91**	**13.70**	**11.39**	**11.57**	**10.27**	**9.33**
2.42	2.20	2.10	2.13	1.82	2.56	1.05	1.15
5.21	4.65	6.46	6.45	6.18	5.83	4.68	4.91
0.69	0.43	0.98	0.87	1.37	1.24	1.11	0.87
0.38	0.32	0.43	0.37	0.34	0.33	0.27	0.25
0.39	0.20	0.49	0.45	0.67	0.86	0.45	0.47
0.81	0.72	0.54	0.49	0.45	0.40	0.34	0.32
1.64	1.34	1.48	1.34	1.22	0.97	0.98	0.83
0.91	0.90	1.15	0.75	0.88	0.64	1.24	1.42
12.45	**10.76**	**13.63**	**12.85**	**12.93**	**12.83**	**10.12**	**10.22**

Report on Operations—Sales=100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIAL						
Paper	23.03	22.03	21.87	21.01	20.74	18.40
Other chargeable materials	5.38	5.26	3.88	3.22	5.13	3.47
Outside services	8.03	7.04	6.49	5.80	6.67	6.50
TOTAL MATERIAL	36.44	34.33	32.24	30.03	32.54	28.37
FACTORY PAYROLL	27.50	25.40	27.01	24.63	28.11	26.21
FACTORY EXPENSES	12.07	11.51	14.83	14.39	13.97	14.12
TOTAL FACTORY COST OF PRODUCT	76.01	71.24	74.08	69.05	74.62	68.70
GROSS PROFIT	**23.99**	**28.76**	**25.92**	**30.95**	**25.38**	**31.30**
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.15	9.46	13.82	11.47	13.79	13.35
Selling expenses	7.64	6.93	5.36	4.19	6.08	4.68
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.79	16.39	19.18	15.66	19.87	18.03
INCOME BEFORE INTEREST EXPENSE	6.20	12.37	6.74	15.29	5.51	13.27
Interest expense	1.74	1.31	2.22	2.40	1.86	1.35
OPERATING INCOME	4.46	11.06	4.52	12.89	3.65	11.92
Other income	0.66	0.82	0.99	0.12	0.50	0.73
INCOME BEFORE INCOME TAXES	**5.12**	**11.88**	**5.61**	**13.01**	**4.15**	**12.65**

Supporting Schedules—Sales=100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS						
Ink	1.55%	1.75%	1.04%	0.71%	0.91%	0.77%
Film	1.18	0.96	0.68	0.27	0.71	0.51
Plates	1.28	1.33	1.34	1.57	1.29	0.76
Other chargeable materials	1.37	1.22	0.82	0.67	2.22	1.43
TOTAL OTHER CHARGEABLE MATERIALS	**5.38**	**5.26**	**3.88**	**3.22**	**5.13**	**3.47**
OUTSIDE SERVICES						
Composition	0.96	0.84	1.32	0.91	0.75	1.25
Offset preparation	1.46	1.35	0.54	0.19	0.92	1.25
Printing	2.07	2.15	3.17	2.92	2.75	2.08
Binding	1.98	1.63	0.73	0.75	1.35	1.44
Other outside services	1.56	1.07	0.73	1.03	0.90	0.48
TOTAL OUTSIDE SERVICES	**8.03**	**7.04**	**6.49**	**5.80**	**6.67**	**6.50**

*"Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
21.32	19.47	22.83	23.10	25.77	23.08	28.40	26.97
4.88	5.77	5.46	5.00	5.85	5.66	7.25	7.03
8.75	7.97	8.67	8.30	7.98	6.51	6.15	4.66
34.95	33.21	36.96	36.40	39.60	35.25	41.80	38.66
27.45	25.72	27.43	23.85	27.65	26.66	27.46	26.48
11.84	10.92	11.75	10.89	10.89	10.76	11.53	10.73
74.24	69.85	76.14	71.14	78.14	72.67	80.79	75.87
25.76	**30.15**	**23.86**	**28.86**	**21.86**	**27.33**	**19.21**	**24.13**
11.69	10.96	9.42	8.71	6.86	7.51	6.05	5.86
8.02	7.12	8.63	8.14	7.90	8.47	5.98	6.26
19.71	18.08	18.05	16.85	14.76	15.98	12.03	12.12
6.05	12.07	5.81	12.01	7.10	11.35	7.18	12.01
1.60	1.46	1.80	1.27	1.72	0.63	1.55	1.00
4.45	10.61	4.01	10.74	5.38	10.72	5.63	11.01
0.65	1.25	0.58	0.83	0.78	0.91	0.72	0.46
5.10	**11.86**	**4.59**	**11.57**	**6.16**	**11.63**	**6.35**	**11.47**

0.96%	1.21%	1.47%	1.59%	1.91%	1.64%	3.35%	3.79%
1.30	1.39	1.40	1.08	1.16	0.91	0.94	1.05
1.34	1.57	1.39	1.46	1.23	1.24	1.08	1.09
1.28	1.60	1.20	0.87	1.55	1.87	1.88	1.10
4.88	**5.77**	**5.46**	**5.00**	**5.85**	**5.66**	**7.25**	**7.03**
1.19	0.65	0.97	1.06	0.84	1.02	0.41	0.37
1.45	2.10	1.83	1.48	1.68	1.47	1.01	0.66
2.80	2.25	1.74	2.92	1.12	1.25	0.95	1.00
2.02	1.96	2.21	1.91	2.38	1.15	1.97	1.53
1.29	1.01	1.92	0.93	1.96	1.62	1.81	1.10
8.75	**7.97**	**8.67**	**8.30**	**7.98**	**6.51**	**6.15**	**4.66**

Supporting Schedules—Sales=100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries—executive	2.00%	1.83%	2.86%	1.87%	3.13%	2.82%
Direct wages	19.00	17.34	19.82	19.06	19.57	16.97
General factory salaries and wages	2.31	2.39	1.55	1.48	2.25	3.18
Packing, shipping and delivery wages	0.81	0.76	0.45	0.17	0.45	0.24
Payroll taxes	1.54	1.39	1.49	1.32	1.63	1.89
Employee benefits	1.84	1.69	0.84	0.73	1.08	1.11
TOTAL FACTORY PAYROLL	**27.50**	**25.40**	**27.01**	**24.63**	**28.11**	**26.21**
FACTORY EXPENSES						
Fixed Expenses						
Depreciation—real estate	0.24	0.20	0.18	0.14	0.16	0.22
Depreciation—other	2.70	2.78	3.72	3.69	3.17	3.21
Taxes—real estate	0.19	0.16	0.13	0.05	0.20	0.11
Taxes—other	0.18	0.15	0.15	0.20	0.15	0.10
Insurance	0.60	0.56	0.86	0.94	0.98	1.05
Building rent	1.48	1.42	3.13	3.35	2.41	2.10
Utilities—heat, light, etc.	1.06	0.94	1.22	1.18	1.15	0.88
Equipment rental	0.65	0.60	1.66	1.88	1.29	1.25
TOTAL FIXED EXPENSES	**7.10**	**6.81**	**11.05**	**11.43**	**9.51**	**8.92**
Other Expenses						
Factory supplies and expense	1.90	1.79	1.22	1.04	1.66	2.12
Packing, shipping and delivery expense	1.05	1.05	1.13	0.86	0.88	0.99
Repairs and maintenance	1.29	1.21	1.07	0.73	1.52	1.78
Other factory expenses	0.73	0.65	0.36	0.33	0.40	0.31
TOTAL OTHER EXPENSES	**4.97**	**4.70**	**3.78**	**2.96**	**4.46**	**5.20**
TOTAL FACTORY EXPENSES	**12.07**	**11.51**	**14.83**	**14.39**	**13.97**	**14.12**
ADMINISTRATIVE EXPENSES						
Salaries—executive	3.21	3.19	5.24	4.85	5.10	4.80
Salaries—office	2.59	2.36	2.99	2.43	3.58	3.90
Payroll taxes	0.31	0.27	0.44	0.39	0.47	0.44
Employee benefits	0.52	0.47	0.43	0.23	0.47	0.67
Bad debts	0.43	0.36	0.46	0.37	0.64	0.38
Office supplies and expenses	0.51	0.49	0.60	0.50	0.60	0.66
Professional fees	0.59	0.56	0.96	0.74	0.90	0.70
Taxes—business	0.18	0.16	0.22	0.15	0.24	0.31
Telephone	0.49	0.44	0.87	0.82	0.74	0.63
Other administrative expenses	1.32	1.16	1.61	0.99	1.05	0.86
TOTAL ADMINISTRATIVE EXPENSES	**10.15**	**9.46**	**13.82**	**11.47**	**13.79**	**13.35**
SELLING EXPENSES						
Salaries—executive	1.30	1.28	1.13	1.24	1.56	0.98
Salaries and commissions—salesmen	3.27	3.00	1.10	0.53	1.68	1.28
Salaries—sales office clerical	0.57	0.44	0.15	0.12	0.53	0.25
Payroll taxes	0.22	0.19	0.09	0.06	0.17	0.14
Employee benefits	0.27	0.24	0.07	0.01	0.10	0.11
Advertising	0.46	0.48	1.05	1.22	0.71	0.82
Travel and entertainment	0.91	0.79	1.04	0.84	0.89	0.88
Other selling expenses	0.64	0.51	0.73	0.17	0.44	0.22
TOTAL SELLING EXPENSES	**7.64**	**6.93**	**5.36**	**4.19**	**6.08**	**4.68**

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.13%	2.02%	1.73%	1.71%	1.62%	1.63%	1.31%	1.19%
19.63	18.34	18.85	16.17	18.40	17.26	17.24	16.73
1.95	2.27	2.36	2.04	2.69	2.45	3.40	3.32
0.76	0.62	0.93	1.02	1.02	1.35	0.89	0.77
1.47	1.24	1.56	1.23	1.51	1.50	1.62	1.59
1.51	1.23	2.00	1.68	2.41	2.47	3.00	2.88
27.45	**25.72**	**27.43**	**23.85**	**27.65**	**26.66**	**27.46**	**26.48**
0.19	0.17	0.25	0.26	0.27	0.22	0.45	0.20
2.62	2.60	2.67	2.72	2.50	2.59	2.21	2.43
0.17	0.15	0.18	0.17	0.25	0.24	0.21	0.23
0.19	0.16	0.19	0.12	0.21	0.25	0.15	0.12
0.72	0.60	0.51	0.47	0.38	0.42	0.24	0.19
1.74	1.52	1.20	1.10	0.74	0.88	0.55	0.53
0.98	0.87	0.98	0.77	1.16	1.07	1.24	1.15
0.57	0.45	0.55	0.45	0.21	0.20	0.42	0.20
7.18	**6.52**	**6.53**	**6.06**	**5.72**	**5.87**	**5.47**	**5.05**
1.60	1.52	2.04	1.84	2.24	2.01	2.53	2.31
1.10	0.97	1.04	1.10	0.92	0.94	1.18	1.38
1.26	1.22	1.26	1.12	1.31	1.24	1.45	1.28
0.70	0.69	0.88	0.77	0.70	0.70	0.90	0.71
4.66	**4.40**	**5.22**	**4.83**	**5.17**	**4.89**	**6.06**	**5.68**
11.84	**10.92**	**11.75**	**10.89**	**10.89**	**10.76**	**11.53**	**10.73**
3.70	3.66	2.87	2.95	1.89	2.32	1.22	1.30
3.15	2.80	2.31	1.91	1.71	1.99	1.72	1.65
0.36	0.30	0.29	0.22	0.19	0.22	0.18	0.18
0.56	0.40	0.56	0.54	0.44	0.52	0.46	0.41
0.49	0.46	0.41	0.36	0.35	0.27	0.26	0.21
0.66	0.68	0.46	0.43	0.32	0.35	0.32	0.28
0.62	0.70	0.54	0.50	0.41	0.39	0.39	0.35
0.21	0.16	0.17	0.15	0.10	0.12	0.10	0.14
0.51	0.44	0.43	0.38	0.33	0.33	0.29	0.27
1.43	1.36	1.38	1.27	1.12	1.00	1.11	1.07
11.69	**10.96**	**9.42**	**8.71**	**6.86**	**7.51**	**6.05**	**5.86**
1.56	1.45	1.31	1.32	1.12	1.69	0.63	0.72
3.35	3.05	4.09	4.10	3.76	3.83	2.72	2.93
0.45	0.29	0.64	0.56	0.84	0.82	0.65	0.52
0.25	0.21	0.27	0.23	0.21	0.22	0.16	0.16
0.25	0.14	0.31	0.29	0.42	0.57	0.27	0.29
0.53	0.48	0.35	0.32	0.28	0.27	0.21	0.21
1.04	0.88	0.93	0.85	0.75	0.66	0.58	0.52
0.59	0.62	0.73	0.47	0.52	0.41	0.76	0.91
8.02	**7.12**	**8.63**	**8.14**	**7.90**	**8.47**	**5.98**	**6.26**

Meaning of Significant Facts

The Significant Facts in the PIA Ratios often are the most important statistics and ratios to printers. They present to the manager facts that are as meaningful as the financial statements. Often they are the lowest common denominators which are the easiest to manage, and they produce the end results on the operating and financial statements.

Investment

In this section, the objective is to present a number related to *assets used per employee*. From the facts on pages 20 and 21, you will note that the High Profit companies generally invest more per employee. As the sales size increases, assets employed per employee also increase. Significant Facts related to investment are defined and explained below.

				Explanation
Assets per Employee — All Employees	=	$\frac{\textbf{Assets (Net)}}{\textbf{Number of All Employees}}$	=	This ratio includes all assets — current, fixed (net of depreciation), and others. It indicates the adequacy of the funds you employ.
Assets per Factory Employee	=	$\frac{\textbf{Assets (Net)}}{\textbf{Number of Factory Employees}}$	=	This ratio is similar to the one above, but shows the number per factory employee.
Average Net Worth per Employee	=	$\frac{\textbf{Shareholders' Equity}}{\textbf{Number of All Employees}}$	=	More specifically, this figure tells what part of the first ratio (assets per employee) is funded by shareholders' investment.
Average Gross Plant Investment per Factory Employee	=	$\frac{\textbf{Plant Machinery and Equipment (Gross)}}{\textbf{Number of Factory Employees}}$	=	A "key fact" because it is obvious that the trend *is to more equipment per factory employee.*
Net Worth Percentage of Fixed Assets	=	$\frac{\textbf{Shareholders' Equity}}{\textbf{Fixed Assets (Net)}}$	=	This ratio indicates the relationship of funding fixed assets. Fixed assets should never be funded with current debt, but should be funded with long-term debt and shareholders' equity. This equity should also fund about 50% of all assets — an indication of funding strength.

Sales

The sales section gives us information on sales per employee. These statistics are determined twice — once including executives and again by excluding them. We will speak about statistics excluding executives. The following sales proportions are pertinent:

				Explanation
Sales per Employee	=	$\frac{\textbf{Sales}}{\textbf{Number of All Employees}}$	=	This is an invaluable number. The only better ones are the two ratios below.
Sales per Factory Employee	=	$\frac{\textbf{Sales}}{\textbf{Number of Factory Employees}}$	=	This is a refined number of sales produced per factory employee.
Sales Less Materials per Factory Employee	=	$\frac{\textbf{Sales Less Materials}}{\textbf{Number of Factory Employees}}$	=	This ratio is the Value Added produced per factory employee — one of the most important ratios in the Ratio Study. You must know this number and plan to improve it; the end result will be improved profit.

Employee Distribution

In this section of the Significant Facts, we are merely presenting the percentage distribution of employees by departments. For example, for all firms reporting in the PIA Ratio Study, the distribution is as follows:

Factory	75.17%
Administrative	14.61
Sales	10.22
	100.00

The most important fact here is the percentage of your employees that are Factory. Of course, there may be the rare exception of a firm with too many factory employees and not enough administrative and selling employees, but I have not experienced this. Factory employees produce your product and it is their production that achieves your revenues.

Often, a very simple observation is a key indicator; i.e., not enough factory employees to produce the product required to support the overhead and provide a profit. This seems elementary but, in many cases, it's a revelation. Note that the percentage of factory employees is about 72% for very small firms, and rises to 83% of all employees for very large firms. There is a specific characteristic for each sales class — a very simple, but valid relationship.

Sales Per Salesman

This ratio is computed as follows:

$$= \frac{\textbf{Sales Produced by Sales People}}{\textbf{Number of Sales People}}$$

This is a Significant Fact that we have developed in recent years. Its proper use requires that you be very specific in relating to your sales size as well as your product and process specialties. You will observe, on pages 20 and 21 that the sales per salesman for the small firm are about $48,000 and that the figure rises to $1,456,813 for firms with sales over $10 million. This rise occurs throughout the sales classes, so the "All Firms" statistic in this category is not very meaningful to you. You must zero in on **your sales class** and **relate to your product and process specialties.** Data for publications printing will be much different from that for commercial printing, and web-offset different from sheet-offset.

Payroll

The payroll statistics are computed first by including fringes and executive compensation, and then again by excluding these factors. Thus, there is a separate section within this category for executive payroll.

The first item in this category is total payroll as a percentage of sales. This includes factory, administrative and sales payroll, and is computed as follows:

$$\frac{\textbf{All Payroll Costs}}{\textbf{Sales}}$$

This is a very important number — about 40% of sales. Again, this ratio is affected by the size of a firm. The small firm starts at about 40% and the figure decreases to about 35% for the very large firm. The change is gradual, but significant.

The next ratio is factory payroll as a percentage of gross plant investment. It is computed as:

$$\frac{\textbf{Factory Payroll}}{\textbf{Machinery and Equipment (Gross)}}$$

In general, this ratio is about $1.00 per year in payroll costs per dollar of gross plant investment. This is a very qualitative statistic and the absolute number determined requires further evaluation. Of course, we would like more than a 100% ratio, provided we were fully equipped. In this case, the figures would indicate maximum utilization of equipment. In some cases, though, we could have over a 100% ratio as the result of inadequate plant facilities. The number doesn't tell the full story.

Payroll per employee. Under this section, there is an absolute amount for payroll per employee and, more specifically, per factory, administrative and sales employee. These numbers are presented for "All Firms" and the "Profit Leaders" in each sales class.

Note that, in most cases, the **profit leaders pay less per employee.** Under closer examination one must put aside the notion that the source of the higher profit of the profit leaders is related to lower payroll costs. We have already established that the profit leaders have a lower relative payroll cost, which is related to their higher capital investment per employee and their greater value added per factory employee.

Under a separate subheading in this category is the payroll per executive for all employees, and then again, the payroll broken down more specifically per factory, administrative and sales executive.

Collection Period

The collection period of receivables is the conversion to a term in time of the turnover of receivables:

$$\frac{\textbf{Average Receivables}}{\textbf{Annual Sales}} \times 365 = \textbf{Collection Period of Receivables}$$

Receivables Turnover. To be correct, these sales are only credit sales, but, *in printing*, this is almost synonomous with sales. "Average receivables," is the sum of the beginning of the year and end of the year accounts receivable balances divided by two:

$$\frac{\textbf{Accounts Receivable Beginning + Account Receivable Ending}}{\textbf{2}}$$

But, you can derive a better average if you use the beginning of the year balance plus the end of each month's balance and divide by 13. This, of course, is the best available average; the better your average, the more accurate your collection period computation. This ratio is the end result of your credit and collection policies. As it increases or decreases, it affects your cash, receivables, payables, interest and other related accounts.

Most printing firms have about 1/6th of their annual sales in accounts receivables. For example, if your sales were $1,200,000, you would have $200,000 in accounts receivables. This would produce a real or imputed economic interest cost of at least $30,000 a year. Any reduction in collection period would reduce your assets employed in receivables and the related interest cost. The faster the turnover, the sooner receivables turn into cash to pay liabilities, and the smoother your company operates — this is reflected in the profits of your company.

Profit

Gross Profit. The profit before taxes generally is determined by the time the gross profit percentage has been determined. A printing company will rarely have a gross profit below 25% and achieve a satisfactory net profit.

Gross profit percentage is computed as follows: first determine your gross profit, which is sales less the cost of goods manufactured. Then relate gross profit to sales.

$$\frac{\textbf{Gross Profit}}{\textbf{Sales}} = \textbf{Gross Profit as a Percentage of Sales}$$

	All Firms	
	All Firms	Profit Leaders
Gross Profit as a Percentage of Sales	23.99%	28.76%

The smaller the firm, the higher the gross profit percentage required. Up to about $1,500,000 in sales, the High Profit standard is approximately 30% gross profit. At that point, the gross profit required is less because of the relatively lower administrative and selling expenses.

Too many printers are searching for a mystical formula that produces high profits. That formula is not mystical, but really is what it takes to produce a higher gross profit. The difference in gross profits between the "All Firms" and the "Profit Leaders" approximates the difference in profit before taxes. Therefore, a source of higher profits is increased gross profits, which directs us to:

— Pricing
— Material costing and control
— Increased value added per factory employee
— Expense control

The average gross profit per factory employee is an excellent lowest common denominator with which to gauge your performance. It is computed as follows:

$$\frac{\textbf{Total Gross Profit}}{\textbf{Number of Factory Employees}} = \textbf{Average Gross Profit Per Factory Employee}$$

	All Firms	
	All Firms	Profit Leaders
Average Gross Profit per Factory Employee	$18,603	$23,526

Another interesting statistic to determine is your average net profit before taxes per employee. For All Firms, it is $2,963 as compared to $6,730 for the Profit Leaders.

Income before taxes as a percentage of sales for all printing firms in the Ratio Study was 5.12%, compared with 11.88% for the Profit Leaders. The All Firms percentage of 5.12% is much too low; it returns a dismal 9.02% on investment. High Profit firms realize 17.63% return on investment.

Significant Facts

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee—All employees	$ 26,338	$ 29,937	$ 20,441	$ 22,413	$ 18,565	$ 20,392
Average assets per factory employee (Excluding Executives)	37,684	42,808	34,641	37,322	30,467	32,202
Average net worth per employee—All employees	11,693	15,860	7,837	7,360	7,225	11,146
Average gross plant investment per factory employee (Excluding Executives)	28,577	30,409	29,503	30,959	25,076	25,532
Net worth Percentage of fixed assets	156.14%	203.13%	120.76%	137.38%	114.30%	181.43%
EMPLOYEES						
Percent factory—All employees	75.17%	75.41%	70.79%	72.79%	69.34%	69.84%
Percent administrative—All employees	14.61	14.69	23.23	21.13	21.72	23.34
Percent sales—All employees	10.22	9.90	5.98	6.08	8.94	6.82
SALES—VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES						
Sales per employee—All employees	$ 52,823	$ 56,343	$ 38,929	$ 37,736	$ 37,929	$ 41,506
Sales per factory employee	71,713	76,389	61,852	56,188	56,521	61,194
Sales less material per factory employee	44,462	48,844	41,050	39,151	37,913	43,616
Sales per administrative employee	488,297	515,940	202,834	193,619	194,441	193,443
EXCLUDING EXECUTIVES						
Sales per employee—All employees	59,193	63,353	49,875	49,926	46,526	50,834
Sales per factory employee	75,965	80,830	68,499	62,192	61,666	66,503
Sales less material per factory employee	47,121	51,690	45,540	43,205	41,360	47,543
SALES PER SALESMAN	555,477	596,191	114,500	48,000	138,059	102,600
SALES TO CURRENT ASSETS	418%	412%	517%	499%	581%	764%
PAYROLL—INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES						
Total payroll percentage of sales	39.75%	36.84%	38.63%	34.50%	41.78%	38.76%
Factory payroll percentage of gross plant investment	91.78	86.67	88.66	94.82	82.46	80.80
Payroll per employee—All employees	$ 20,128	$ 20,028	$ 14,199	$ 12,553	$ 15,490	$ 15,778
Payroll per factory employee	18,537	18,200	14,920	12,460	15,058	15,221
Payroll per administrative employee	23,751	23,861	13,736	12,361	16,499	17,217
Payroll per sales employee	28,671	28,704	7,781	5,661	13,969	11,989
PAYROLL—EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES						
Payroll per employee—All employees	$ 16,098	$ 15,950	$ 11,913	$ 11,147	$ 12,451	$ 12,649
Payroll per factory employee	15,717	15,392	13,334	11,374	12,908	12,783
Payroll per administrative employee	12,650	12,224	6,832	5,206	9,088	9,444
Payroll per sales employee	22,134	22,219	3,474	2,411	7,181	6,289
EXECUTIVE PAYROLL						
Payroll per executive—All executives	35,979	38,048	14,314	11,327	21,842	20,300
Payroll per factory executive	23,658	25,296	8,467	6,030	13,918	12,392
Payroll per administrative executive	40,718	43,025	12,892	10,264	21,265	20,979
Payroll per sales executive	28,546	31,878	5,657	4,874	9,685	6,701
RECEIVABLES						
Collection period	54.5	52.7	43.8	40.7	50.5	42.4
PROFIT						
Gross profit percentage of sales	23.99%	28.76%	25.92%	30.95%	25.38%	31.30%
Average gross profit per factory employee	$ 18,603	$ 23,526	$ 19,047	$ 20,787	$ 16,464	$ 21,725
Income before taxes percentage of sales	5.12%	11.88%	5.51%	13.01%	4.15%	12.65%
Average income before taxes per employee	$ 2,963	$ 6,730	$ 2,465	$ 5,067	$ 1,846	$ 5,501

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 22,333	$ 26,739	$ 27,168	$ 32,499	$ 33,821	$ 33,920	$ 37,752	$ 38,999
33,850	39,914	38,452	46,086	44,291	46,462	47,368	49,604
10,134	13,936	11,561	16,473	16,322	21,352	18,106	22,120
25,696	28,182	29,142	31,911	32,610	31,563	33,048	33,631
182.54%	245.01%	157.38%	201.23%	148.05%	214.00%	146.82%	177.43%
72.23%	73.28%	75.94%	75.25%	80.56%	77.95%	83.27%	82.90%
16.57	16.17	12.65	12.45	9.42	11.04	9.06	9.27
11.20	10.55	11.41	12.30	10.02	11.01	7.67	7.83
$ 46,837	$ 50,344	$ 55,322	$ 61,131	$ 64,969	$ 65,273	$ 71,015	$ 72,964
66,725	70,569	74,389	83,085	81,477	85,132	86,640	90,602
42,573	46,491	46,081	51,752	48,286	54,321	48,488	52,780
317,560	346,717	492,279	554,602	855,767	667,588	1,015,001	1,057,253
53,557	57,631	61,240	67,626	69,524	70,583	74,798	76,916
70,805	74,857	78,674	87,524	84,969	89,109	89,705	94,113
45,188	49,303	48,687	54,469	50,324	56,768	50,197	54,752
238,566	249,757	434,843	451,999	771,158	654,833	1,456,813	1,387,847
416%	387%	390%	346%	366%	350%	365%	339%
41.08%	38.03%	40.09%	35.98%	38.23%	38.83%	35.46 %	34.63%
91.82	83.80	101.72	91.73	81.79	87.09	80.19	80.60
$ 18,557	$ 18,466	$ 21,531	$ 21,530	$ 24,026	$ 24,560	$ 23,854	$ 23,841
17,128	17,002	19,376	18,960	21,449	21,538	22,141	21,803
21,626	21,205	26,605	28,074	29,220	29,077	27,631	28,367
23,775	22,371	32,957	33,331	41,379	42,034	41,779	46,377
$ 14,931	$ 14,874	$ 17,115	$ 16,981	$ 18,995	$ 18,748	$ 18,974	$ 18,905
14,770	14,775	16,360	16,020	17,833	17,643	18,100	17,758
12,697	12,475	13,633	13,046	14,233	14,299	14,629	14,928
17,089	16,758	26,537	27,217	34,069	31,051	34,853	39,092
29,992	31,764	40,575	45,317	49,306	51,964	50,497	53,330
19,466	20,970	25,780	30,509	33,459	31,428	36,793	39,735
31,385	31,113	46,886	51,864	59,823	63,792	61,162	66,471
19,720	21,838	32,928	34,681	44,458	55,205	54,046	58,914
54.5	55.3	55.8	56.3	57.2	53.0	57.8	56.1
25.76%	30.15%	23.86%	28.86%	21.86%	27.33%	19.21%	24.13%
$ 18,812	$ 23,204	$ 19,244	$ 25,446	$ 18,779	$ 24,586	$ 17,327	$ 22,614
5.10%	11.86%	4.59%	11.57%	6.16%	11.63%	6.35%	11.47%
$ 2,654	$ 6,132	$ 2,761	$ 7,046	$ 4,057	$ 7,609	$ 4,648	$ 8,397

What Balance Sheet Ratios Show

A Statement of Financial Position

A balance sheet (statement of financial position) presents at a date your assets, liabilities and shareholders' equity. The shareholders' equity is the difference between assets and liabilities. The balance sheet shows the financial status of your company at a particular point in time.

To many business managers, the balance sheet is foreign and abstract. However, situations often arise relating to the financial position of the printing company. Therefore, understanding the balance sheet and its relation to your operations is a prerequisite to good management. Remember, this statement reflects your financial position.

Your balance sheet is a clear indicator of your operational capability. For example:

- Sales per dollar of assets employed
- Sales and/or value added per dollar of gross plant investment employed
- Sales as a ratio to current assets
- Payroll as a percentage of factory assets.

These are only a few examples of the relations between your balance sheet and operations. Many people would think we are not talking "balance sheet" at this point, but we are.

It is very important that your balance sheet reflects financial strength. There is a view that doing business with other people's money is good business. This is rarely true because, if your current ratio is diminished by too much debt, you cannot have available the current assets you need in the form of inventory, cash, etc.

If you are working with too much of other people's money, their demand for repayment in cash can prevent you from investing current assets profitably in your business. It prevents you from buying and discounting, and affects your credit from financial institutions which, in turn, can deny you the purchase of fixed assets. Using a maximum of other people's money may look good on paper, but it may never take you where you have to go.

Working with other people's money is what is known as "trading on equity." It works when everything is going well, but it is disastrous when there is a business slowdown, when interest rates rise rapidly, or when a printing company has a misfortune. These things are likely to occur sooner or later and you must have the staying power to see them through and get back to normal.

In essence, of your total assets, 25-30% should be funded by current debt, about 20% by long-term debt, and the remainder of approximately 50% conservatively funded by shareholders' equity.

Analysis of Current Position

The proper makeup of the balance sheet is absolutely necessary to facilitate profitable operations. The trading cycle, or flow of current assets, can be described as follows: you start with cash, and then purchase raw materials. An order requires that your cash and materials go into work-in-process inventory. When the job is finished, the work-in-process inventory becomes accounts receivable. Finally, the accounts receivable are converted back to cash and the cycle starts anew.

Therefore, let's start with an analysis of your working capital:

	Percent of Current Assets	
	All Firms	Profit Leaders
Cash	11.85%	17.49%
Receivables	54.24	49.46
Inventories	26.09	22.13
Other current assets	7.82	10.92
	100.00	100.00

Although the above table ignores the absolute amounts involved, which are significant, it appears that the profit leaders have proportionately more cash and less receivables and inventory.

A key ratio for determining the adequacy of working capital is the current ratio, which is defined as:

	Current Ratio	
	All Firms	Profit Leaders
Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.82	2.22

This is the ratio most widely used to test liquidity and debt-paying ability. In general, a ratio of 2.00 is assumed to be satisfactory. In the past, many firms have functioned well with a lower ratio. But this is changing because of the longer conversion period for inventories (larger standing inventories), and the longer collection period of accounts receivable caused by higher interest rates.

The current ratio may be improved by:

- Repaying current debt
- Converting current debt into long-term debt
- Converting non-current assets into current assets

The quick ratio, sometimes called the acid test, is a further analysis of your working capital. This is because it is determined by removing inventories, which are the least liquid assets, from the current asset classification:

	Quick Ratio	
	All Firms	Profit Leaders
$\frac{\text{Current Assets Less Inventory}}{\text{Current Liabilities}}$ =	1.34	1.73

The minimum rule of thumb is a ratio of 1:1. As you can see, the ratio for "All Firms" is 1.34; for the "Profit Leaders," 1.73. In the quick ratio, you are looking to the current assets for the immediate or near term liquidation of current liabilities. Therefore, a qualitative review of current assets should be made to determine the realization point. For example, you may want to eliminate other current assets which may not appear to be liquid, since qualitative investigation shows that their maturities are such that they should also be eliminated from the current assets for this purpose.

Inventories are excluded because they are the least liquid of the current assets. When inventories are very high, this should alert companies to whether there will be funds with which to pay current liabilities. Economic conditions (paper supply) are requiring higher inventories.

Inventories

Inventories now require a more qualitative analysis than formerly. They are now more meaningful because, in general, the printer has to inventory a greater quantity of paper than in the past. The turnaround time — from the time an order for paper is placed to the time the paper is on the floor — is so long that one may not complete a sale. Therefore, you must have the material on hand. And this means a larger investment in paper inventory.

The second point is that the average printer has about half a month's sales in work-in-process inventory. This will increase or decrease, depending on your market and process, but it is a substantial number. We have already determined that inventory represents 26.09% of current assets for "All Firms" and 22.13% for the "Profit Leaders." In our analysis of working capital above, other helpful ratios are:

	All Firms	Profit Leaders
$\frac{\text{Inventory}}{\text{Net Working Capital}}$ =	0.58	0.40

Net working capital is current assets less current liabilities.

		All Firms	Profit Leaders
$\frac{\text{Sales}}{\text{Average Inventory}}$	=	13.79 turnover	15.31 turnover

This is not a true ratio of inventory turnover; a more accurate one would be:

$$\frac{\text{Materials used to manufacture product}}{\text{Average chargeable materials inventory}} = \text{Number of inventory turnovers per year}$$

$$\frac{\text{365 days}}{\text{Number of inventory turnovers per year}} = \text{Average number of days inventory}$$

$$\frac{\text{Cost of product produced}}{\text{Average work-in-process inventory}} = \text{Work-in-process turnover}$$

$$\frac{\text{365 days}}{\text{Work-in-process turnover}} = \text{Average number of days work-in-process}$$

The ratio of current debt to inventory determines the amount of equity that short term creditors have in inventory.

		All Firms	Profit Leaders
$\frac{\text{Current Liabilities}}{\text{Average Inventory}}$	=	211%	203%

The Source of Funds

The balance sheet appears as follows:

Assets	Source of Assets
Current assets	Current liabilities
Fixed assets	Long-term liabilities
Other assets	Shareholders' equity

Assets are the funds we employ and their source is current liabilities, long-term debt and shareholders' equity. The proper makeup of the sources is vitally important to the adequacy of the balance sheet. An understanding of these sources and their proportional relationship becomes critical as the printing business expands and, in particular, in the purchase of printing equipment. Basically you may fund part of your current assets from current debt, but the remainder of the current assets and fixed assets should be funded by long-term debt and shareholders' equity.

Analysis of funding of assets is as follows:

		All Firms	Profit Leaders
$\frac{\text{Current Liabilities}}{\text{Assets}}$	=	31.62%	26.10%
$\frac{\text{Long-Term Liabilities}}{\text{Assets}}$	=	24.15%	19.82%
$\frac{\text{Shareholders' Equity}}{\text{Assets}}$	=	44.23%	54.08%

Our conclusion is that the "All Firms" are well financed, and the "Profit Leaders" are better financed. We do not look upon the "All Firms" ratios as substandard.

We often hear the term "debt to equity" ratio, which is computed as follows:

		All Firms	Profit Leaders
$\frac{\text{Total Debt (Current + Long-Term Liabilities)}}{\text{Shareholders' Equity}}$	=	1.26	0.85

The "All Firms" have 26% more debt than equity. On the other hand, the "Profit Leaders" have 15% less debt than equity. These percentages are in proportion to equity.

In essence, maximize shareholders' equity as a source of funds and maximize long-term debt as a source of debt.

Flow of Funds

The following ratios indicate a flow of funds and include factors from both the operating statement and the balance sheet. We reach conclusions that give us a perspective of both the operating statement and the balance sheet.

The first ratio is profit as a percentage of working capital. We will compute this as a percentage of working capital (current assets) and as a percentage of net working capital (current assets less current liabilities).

	All Firms	Profit Leaders
Working Capital:		
$\frac{\text{Income Before Taxes}}{\text{Current Assets}}$	18.69%	40.34%
Net Working Capital:		
$\frac{\text{Income Before Taxes}}{\text{Current Assets - Current Liabilities}}$	41.59%	73.38%

You can see from these ratios what effect the profit will have on the working capital. (This is income before taxes but, in the real world, your income would be reduced by income taxes.) If we could produce a "statement of changes," this income would flow directly into an increase in working capital. The total would not flow into working capital to the extent of long-term liability reduction and fixed or other asset acquisition.

These ratios can be further refined to include depreciation as a source of funds. Although depreciation and amortization are charges to the operating statement, they are not applications of funds. The application of funds is required at the time of purchase, and generally accepted accounting principles provide for the systematic write-off of the assets over their estimated useful lives in the operating statement.

	All Firms	Profit Leaders
Working Capital:		
$\frac{\text{Income Before Taxes + Depreciation}}{\text{Current Assets}}$	29.43%	50.46%
Net Working Capital:		
$\frac{\text{Income Before Taxes + Depreciation}}{\text{Current Assets - Current Liabilities}}$	65.48%	91.79%

Effect of Growth on the Balance Sheet

The balance sheet is the financial structure in which the printing company is contained, so there is a limit to the growth it will sustain. Assume the purchase of a $500,000 press.

- Cash will be reduced by the down payment of, say $75,000.
- Fixed assets will increase by $500,000.
- Current liabilities will increase to the extent of the related note payable that matures in the next 12 months.
- Long-term liabilities will increase by the amount of the remainder of the note payable for purchase of the equipment.
- If we assume a 140% relationship of sales to fixed asset investment, we can anticipate an increase of $700,000 in sales.
- These new sales will require about $50,000 in inventory, which includes raw materials and work-in-process.
- As there will be a 60-day collection period, you will have approximately $117,000 in accounts receivable.

Looking at a *pro forma* balance sheet, these are the changes you can anticipate:

Cash	–	$ 75,000
Accounts Receivable	+	117,000
Inventory	+	50,000
Machinery	+	500,000
Current Note Payable	+	95,000
Long-Term Note Payable	+	330,000

When you want to make changes that will produce growth, you must relate them to the effects they will have on the balance sheet. A great deal of forethought must be given to determine whether the balance sheet is adequate to house the growth. You cannot think about it after the fact.

Balance Sheet

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	6.81%	10.14%	8.80%	9.60%	8.68%	15.94%
Receivables	31.16	28.67	24.58	23.11	29.93	26.87
Inventories	14.99	12.83	10.04	8.59	11.58	8.80
Other current assets	4.49	6.33	4.03	6.39	3.64	2.56
TOTAL CURRENT ASSETS	57.45	57.97	47.45	47.69	53.83	54.17
FIXED ASSETS						
Real estate	9.75	9.00	6.71	5.15	8.77	7.34
Less: Accumulated depreciation	2.88	2.50	1.88	1.17	2.30	1.24
	6.87	6.50	4.83	3.98	6.47	6.10
Machinery and equipment	62.01	57.20	66.68	64.58	71.80	68.71
Less: Accumulated depreciation	33.82	29.10	29.80	25.40	38.37	35.25
	28.19	28.10	36.88	39.18	33.43	33.46
Other fixed assets	6.92	6.55	10.39	10.95	7.12	6.35
Less: Accumulated depreciation	3.44	3.27	4.23	6.09	3.74	3.15
	3.48	3.28	6.16	4.86	3.38	3.20
NET FIXED ASSETS	38.54	37.88	47.87	48.02	43.28	42.76
OTHER ASSETS	4.01	4.15	4.68	4.29	2.89	3.07
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	8.29	5.55	11.22	10.30	9.43	6.21
Accounts payable	14.17	10.87	13.83	10.00	15.95	8.83
Other current liabilities	9.16	9.68	6.00	7.10	6.00	5.59
TOTAL CURRENT LIABILITIES	31.62	26.10	31.05	27.40	31.38	20.63
LONG-TERM LIABILITIES	24.15	19.82	31.03	33.86	28.35	20.19
TOTAL LIABILITIES	55.77	45.92	62.08	61.26	59.73	40.82
SHAREHOLDERS' AND PROPRIETORS' EQUITY	44.23	54.08	37.92	38.74	40.27	59.18
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

Balance Sheet Ratios

Current ratio	1.82	2.22	1.53	1.74	1.72	2.63
Quick ratio	1.34	1.73	1.20	1.43	1.35	2.20
Total liabilities to equity	1.26	0.85	1.64	1.58	1.48	0.69
Long-term liabilities to equity	0.55	0.37	0.82	0.87	0.70	0.34
Accumulated depreciation—machinery and equipment to total machinery and equipment	0.55	0.51	0.45	0.39	0.53	0.51

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
8.00%	11.43%	6.61%	9.46%	5.45%	11.20%	2.60%	4.41%
33.19	30.54	31.68	29.82	30.39	27.87	30.07	28.82
12.94	9.47	16.02	14.00	18.07	16.14	20.37	19.48
5.31	7.09	4.47	7.92	3.72	4.60	4.07	6.04
59.44	58.53	58.78	61.20	57.63	59.81	57.11	58.75
7.98	8.80	9.95	8.55	12.96	10.27	13.58	12.79
2.55	2.73	3.09	2.43	3.51	2.52	3.69	3.99
5.43	6.07	6.86	6.12	9.45	7.75	9.89	8.80
64.04	56.62	60.52	56.38	56.92	[illegible]0.91	54.82	52.96
37.03	28.38	33.06	30.59	31.04	28.35	28.84	26.72
27.01	28.24	27.46	25.79	25.88	22.56	25.98	26.24
8.15	6.90	6.75	6.33	5.21	6.15	3.41	3.80
3.98	3.12	3.53	3.34	2.64	2.98	1.70	1.87
4.17	3.78	3.22	2.99	2.57	3.18	1.71	1.93
36.61	38.09	37.54	34.90	37.90	33.49	37.58	36.97
3.95	3.38	3.68	3.90	4.47	6.70	5.31	4.28
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
7.82	5.15	8.58	5.61	7.27	3.33	6.88	4.58
14.56	10.81	13.87	11.56	14.41	11.41	12.41	11.23
8.34	7.44	10.78	12.05	9.98	13.00	10.15	10.80
30.72	23.40	33.23	29.22	31.66	27.74	29.44	26.61
23.89	22.18	24.04	19.80	20.22	9.22	21.17	15.68
54.61	45.58	57.27	49.02	51.88	36.96	50.61	42.29
45.39	54.42	42.73	50.98	48.12	63.04	49.39	57.71
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.93	2.50	1.77	2.09	1.82	2.16	1.94	2.21
1.51	2.10	1.29	1.62	1.25	1.57	1.25	1.48
1.20	0.84	1.34	0.96	1.08	0.59	1.02	0.73
0.53	0.41	0.56	0.39	0.42	0.15	0.43	0.27
0.58	0.50	0.55	0.54	0.55	0.56	0.53	0.50

Return on Investment

Introduction

Return on Investment relates to the capital employed to produce that income; mathematically it is:

$$\frac{\text{Income}}{\text{Assets}} = \text{Return on Investment (ROI)}$$

ROI—1981 Ratios: All Firms - 9.02%; Profit Leaders - 17.63%

Return on Investment (ROI) is the most comprehensive measure of profitability. The only difference of opinion on this is whether net assets or gross assets should be used to compute ROI (see discussion on page 28).

ROI is a very simple computation, analogous to figuring simple interest, or, when we introduce a time element involving alternate decisions and capital expenditures, compound interest.

The ROI concept is gaining acceptance as the measure of profitability of printing companies. As the years pass, it becomes increasingly evident that the printing industry - a capital intensive industry - must adopt the ROI concept. Because printing firms generally are heavy in fixed assets, their profit performance must be measured against those assets.

ROI was introduced into the 1967 PIA Ratio Study. Over the last 14 years, it has been featured as the true measure of profitability.

- First, ROI was introduced in the PIA Ratio Books.
- Then the Individual Computer Printout was expanded to include Return on Investment.
- PIA devoted an entire annual financial meeting to ROI.
- PIA did a special historical case study that revealed the decline in investment turnover, and showed the effect of this on the return on investment rate when there is not a corresponding increase in profit as a percentage of sales.

PIA is a strong advocate of the ROI concept - and urges its adoption through continuing education.

Defining Return on Investment

As stated above, ROI can be expressed simply as:

$$\frac{\text{Income}}{\text{Assets}} = \text{Return on Investment}$$

This ratio produces, as a percentage, an annual rate of return on the assets employed. It is synonymous with an annual interest rate that one would receive on a bond or other type of investment. An interest rate is a gauge which is immediately clear to everyone and, therefore, Return on Investment is immediately clear to the printing manager.

Actually, the simple ROI formula is a reduction of the following ratios:

$$\frac{\text{Income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Assets}} = \text{ROI}$$

The first fraction is income as a percentage of sales shown on pages 14 and 15 of this study. It is a hard number and, if we want to improve our ROI, it is this percentage which has the greatest effect on our return on investment rate. We will discuss this more under the heading "Return-on-Investment Dilemma."

The second fraction is called "investment turnover" or "asset turnover." The term "investment" in this context means assets employed.

The "sales" in the denominator of the term "income as a percentage of sales" and the "sales" in the numerator of the term "investment turnover" can be cancelled. We have done this to obtain the simple expression "Income over Assets." However, it is still best to think of these two fractions as dynamic elements in the management of ROI.

Here is an example of the ROI computation:

Sales	$1,000,000
Profit Before Taxes	120,000
Assets	500,000

$$\frac{\$120{,}000 \text{ Income}}{\$1{,}000{,}000 \text{ Sales}} \times \frac{\$1{,}000{,}000 \text{ Sales}}{\$500{,}000 \text{ Assets}}$$

$$12\% \times 2 = 24\% \text{ ROI}$$

In the PIA Ratios, income is . . .

. . . income ***before*** interest expense, other income and taxes.

And Assets are . . .

. . . gross assets employed ***before*** deduction of accumulated depreciation and amortization.

As these are not necessarily the definitions used by others, we will now discuss other concepts.

Alternate Concepts

Net Profit Before Taxes. We use income before interest, other income and taxes. Although there is little to support our use of income before taxes, it is practical for our purposes. Most published studies base return on investment on after-tax profit. The reasoning: taxes are expenses, just like any other expense. This is a philosophical question, and we agree that income taxes are expenses.

We compute return on investment before taxes because this provides a standard which all can use, since the amount of tax is different for almost everyone:

- The normal tax rate is different at different income levels.
- Investment credits, new-job tax credits and other credits can produce substantially different net taxes.
- This year's tax may be reduced by a net operating loss carryforward.
- Most taxpayers use accelerated depreciation methods for tax purposes, and straight-line for financial purposes.

The tax on profits may vary widely from situation to situation. Thus, if return on investment is to be of practical use, computing it on profit before taxes is the more valid standard.

Interest Expense, Non-Operating Income and Expense. By using profit before interest expense, we are able to compare the return on investment before an interest charge vs the cost of capital, which is an interest charge.

For example, if your return on investment is 25% and your cost of interest is 17%, it pays to borrow funds which will produce a greater return. By the same token, it would not pay to borrow funds at an interest rate greater than your return on investment. You can see that, if interest were deducted from profit, it would not be valid to compare your return on investment with the cost of capital to determine whether a return-on-investment decision is valid.

Non-operating income and expenses normally are excluded. It is also important to remove non-operating assets from your investment figure.

Depreciation

Since accumulated depreciation is not deducted from fixed assets in arriving at total investment or assets, there are some proponents of the theory that depreciation not be deducted from income for return-on-investment purposes. This concept is not too strongly advocated.

Some printers, for financial purposes, compute depreciation by accelerated depreciation methods. This produces higher depreciation in the early years of an asset's life than does the straight-line method. Where accelerated depreciation is in use, the excess depreciation should be added back to profit for your return-on-investment computation purposes.

Valuation of Assets

We can consider four different asset-valuation bases:

- **Gross Assets at Book Value —** The assets are at their original cost without deduction for accumulated depreciation.
- **Net Book Value —** Assets are valued at original cost less accumulated amortization and depreciation.
- **Replacement Value —** This is the same as Gross Assets, but adjusted for the increase in their replacement cost.
- **Market or Actual Cash Value —** Similar to Net Book Value, but asset costs have been changed to reflect replacement cost less the proportional accumulated depreciation.

All of these variations are ways of valuing fixed assets. It's very difficult for us to recommend a particular doctrine for your use; each approach has considerable merit. The Replacement Value and the Replacement Value less Accumulated Depreciation are bases you may want to use on your own. These can be very meaningful to you, depending on the circumstances and your objectives. In PIA Ratio Studies, however, we are limited to determining return on investment by Gross Assets at cost and Net Book Value.

Return on Investment Dilemma

Since return on investment is computed by multiplying "income as a percentage of sales" by the "investment turnover," it would appear that we could increase our return on investment by one or the other factor, or both. This is true, but first a little background is necessary for your complete understanding. We will limit our statistics to the Profit Leaders.

The investment turnover for profit leaders in this year's Ratio Study is 142.49%. This means that these firms achieved $1.42 in sales for each $1.00 of assets employed. Let's look at the historical record of investment turnover.

This year	142.49%
1980	141.42
1979	138.31
1978	141.33
1977	143.90

For these years, the investment turnover has remained fairly steady. This is the end result of all participants, but a specific printing company that acquires substantial new equipment is likely to show a decline in investment turnover. This is caused by the capital intensity of printing equipment. Therefore, to maintain a fair return on investment, profit as a percentage of sales has to be increased. This can best be explained with an example:

	Old	New
Equipment	$50,000	$200,000
Investment Turnover	200%	140%
Desired Return on Investment	20%	20%

Return on Investment = Investment Turnover x Profit as % of Sales.

					Profit Needed
ROI	=	$\frac{\text{Sales}}{\text{Assets}}$	x	$\frac{\text{Income}}{\text{Sales}}$	
Old 20%	=	$\frac{100{,}000}{50{,}000}$	x	$\frac{10{,}000}{100{,}000}$	10%
New 20%	=	$\frac{280{,}000}{200{,}000}$	x	$\frac{40{,}000}{280{,}000}$	14.3%

To maintain the desired 20% return on investment one would need a profit of 14.3% profit on sales with the new equipment, as opposed to a 10% profit on sales with the old equipment.

Don't fall into these two traps:

1. When you increase the assets you employ, you must also increase your profit as a percentage of sales to maintain a fair return on investment. If you don't, you risk having a diminished return on investment.
2. Your new selling price with a higher profit markup may still be lower than the price when the old equipment was used. The new equipment should produce a lower unit selling price despite the higher cost rates and higher required margin. If this were not true, there would be no economic justification for replacing old (less capital intense) with new (more capital intense) equipment.

The conclusion is that you should concentrate on profit as a percentage of sales. Moreover, this profit percentage should not be trite but must vary with the intensity of assets employed. You still should make every effort to maximize investment turnover.

Turnover

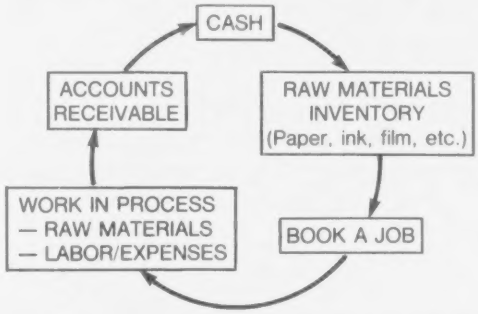
Throughout this discussion, we have emphasized the printing industry's low return on investment; this year the average for All Firms was only 9.02%. A key factor in this poor profit performance is the ***failure to maximize turnover*** in the capital cycle.

Turnover is defined as the period of time that the entire capital cycle takes. It is computed as:

		Turnover	
		All Firms	Profit Leaders
$\frac{\text{Cost of Goods Sold}}{\text{Working Capital}}$	=	2.78	2.42

Significantly, optimum turnover provides a maximum of profit with use of a minimum of assets - thus it yields a maximum return on investment.

The capital cycle is simply a series of sequential conversions —cash to inventories to accounts receivable and back to cash. For printers, this cycle may be shown schematically as follows:


CASH
RAW MATERIALS INVENTORY (Paper, ink, film, etc.)
BOOK A JOB
WORK IN PROCESS — RAW MATERIALS — LABOR/EXPENSES
ACCOUNTS RECEIVABLE

The cycle starts with your cash, a portion of which goes into materials inventory. When you book a job, you use more of your cash for raw materials, labor and other expenses (work in process inventory). Then, the completed job moves into accounts receivable. Finally, accounts receivable are converted back to cash - hopefully more than you had in the beginning.

By minimizing the time required for each step of the cash cycle, you affect more cycles per year - and more profit is generated with a given commitment of funds. Thus you are maximizing your return on investment.

Optimizing your turnover is in keeping with sound accounting principles, but it appears to be in conflict with some printers' practice. Too often, production, estimating and sales seek extra time to do a job - even though the faster the job is done, the better the turnover position. If management is to improve its return on investment, it must insist that the capital cycle be completed as quickly as possible.

Here is a situation that illustrates a mistake that printers can make, one that reduces their turnover and, in turn, their return on investment: a printer instructed his sales people that the longer the time from the date of an order to its delivery, the greater the discount to the purchaser.

To me, this policy is contrary to improving turnover and achieving a better return on investment. With a lower selling price, it is equivalent to "heads you win and tails I lose." Both aspects are contrary to your objective.

However, in his favor, this printer's policy does enable him to accomplish two things: (1) it permits smoothing out his production, since delaying a job provides greater scheduling flexibility, and (2) he may book a lot of business that he would not otherwise have.

Despite these factors, I believe that the end result of this printer's policy will be lower return on investment.

Cash Turnover

How fast you complete the capital cycle depends on how much cash you have in the beginning. Neither too much nor too little is desirable. For example, if $100,000 is the right amount and you have more than that, the following three things are likely to occur:

1. Your cash will not turn over; it will just lay in place.
2. It will finance higher inventories (less inventory turnover) or go into other operating assets in higher amounts than are necessary.
3. It may actually slow your receivable collections. When you don't appear to need cash, you are less strict about collections.

$$\frac{\text{Sales}}{\text{Average Cash Balance}} = \text{Cash Turnover}$$

	All Firms	Profit Leaders
Cash Turnover	30 times	19 times

Inventory Turnover

You have three basic types of inventories that require analysis:

1. Departmental Supplies
2. Chargeable Materials (paper, ink, film, plates and others)
3. Work-in-Process

The above is an important part of the capital cycle. On page 22, under "Analysis of Current Position", inventories represent 26.09% (All Firms) and 22.13% (Profit Leaders) of working capital.

Departmental Supplies. Although not an important factor in the capital cycle, they should not be ignored. The level of supplies should be controlled to minimize your capital investment, while meeting your need for uninterrupted production.

$$\frac{\text{Departmental Supplies Used}}{\text{Average Departmental Inventory}} = \text{Supplies Turnover}$$

Chargeable Materials represent a much more substantial part of inventory turnover. You improve turnover when you optimize inventory levels and reduce the storage time of materials (primarily paper) prior to production.

$$\frac{\text{Paper Used}}{\text{Average Paper Inventory}} = \text{Paper Inventory Turnover}$$

$$\frac{\text{Other Chargeable Materials Used}}{\text{Average Other Chargeable Materials Inventory}} = \text{Other Chargeables Inventory Turnover}$$

Work in Process. This offers the greatest opportunity to improve turnover. The faster a job is shipped out of your plant, the greater your profit potential and the more beneficial the effect on your capital position. You profit in two ways: you spend less time on a job and tie up less cash in inventory. At any one time, work-in-process may represent up to two months in sales. This should be ample incentive to shorten your work-in-process time in every way possible.

$$\frac{\text{Cost of Product Produced}}{\text{Average Work-in-Process Inventory}} = \text{Work-in-Process Turnover}$$

Accounts Receivable Turnover is the time between billing and collection. According to the current Ratio Study the collection period is 54.5 days. Clearly, this period is too long; it can be reduced by tightening credit and collection procedures. You may lose some accounts but, in my experience, you will profit in the long run by shortening your collection period.

$$\frac{\text{Sales}}{\text{Average Accounts Receivable}} = \text{Accounts Receivable Turnover}$$

Wasted Time

Our diagram of the capital cycle shows no step between work-in-process and the job's conversion to accounts receivable. Too often, there is an intermediate step which we call ***"Wasted Time." This is the period between the time a job is finished and it is billed.***

Over the years, I think I have heard every possible reason for not billing a job as soon as it is finished - incomplete cost records, bills to come from suppliers, and many other excuses. As an accountant, I must call these excuses and not reasons, because none are valid reasons for delayed billings. This is one expense you do not need and can easily avoid.

Net Assets vs Gross Assets

In comparing return on investment computed on gross vs net assets, we find that they produce substantially different results. For a number of years, the PIA Ratio Study has been computing return on investment based on gross assets. This is the so-called DuPont method, which has the advantage of alerting management to a decreasing return on investment and the need for equipment replacement.

Under the net-asset method, a higher return on investment may justify continued investment in existing equipment mainly because of lower book value. The gross-asset basis has its purpose, but is not as accurate as the net book value.

The return on investment based on net assets is computed as follows:

$$\frac{\text{Income Before Taxes, Interest, and Other Income or Expense}}{\text{Assets Less Accumulated Depreciation}}$$

For All Firms, this is 19.92%; for the Profit Leaders, 35.32%.

This method may produce a more valid operational return on investment, and a more accurate interest computation.

Your Ultimate Goal: Thinking ROI

Thinking ROI is like working backwards. Thus, a competent printing manager might plan along these lines:

1. Capital to be employed	$400,000
2. Desired ROI: 20% of capital employed	80,000
3. Sales to be achieved from new assets employed: 140%	560,000
4. Required profit as a percentage of sales:	

$$\frac{80{,}000}{560{,}000} = 14.3\%$$

This example shows that you must strive for a 14.3% profit on sales to produce a 20% ROI on the capital you employ.

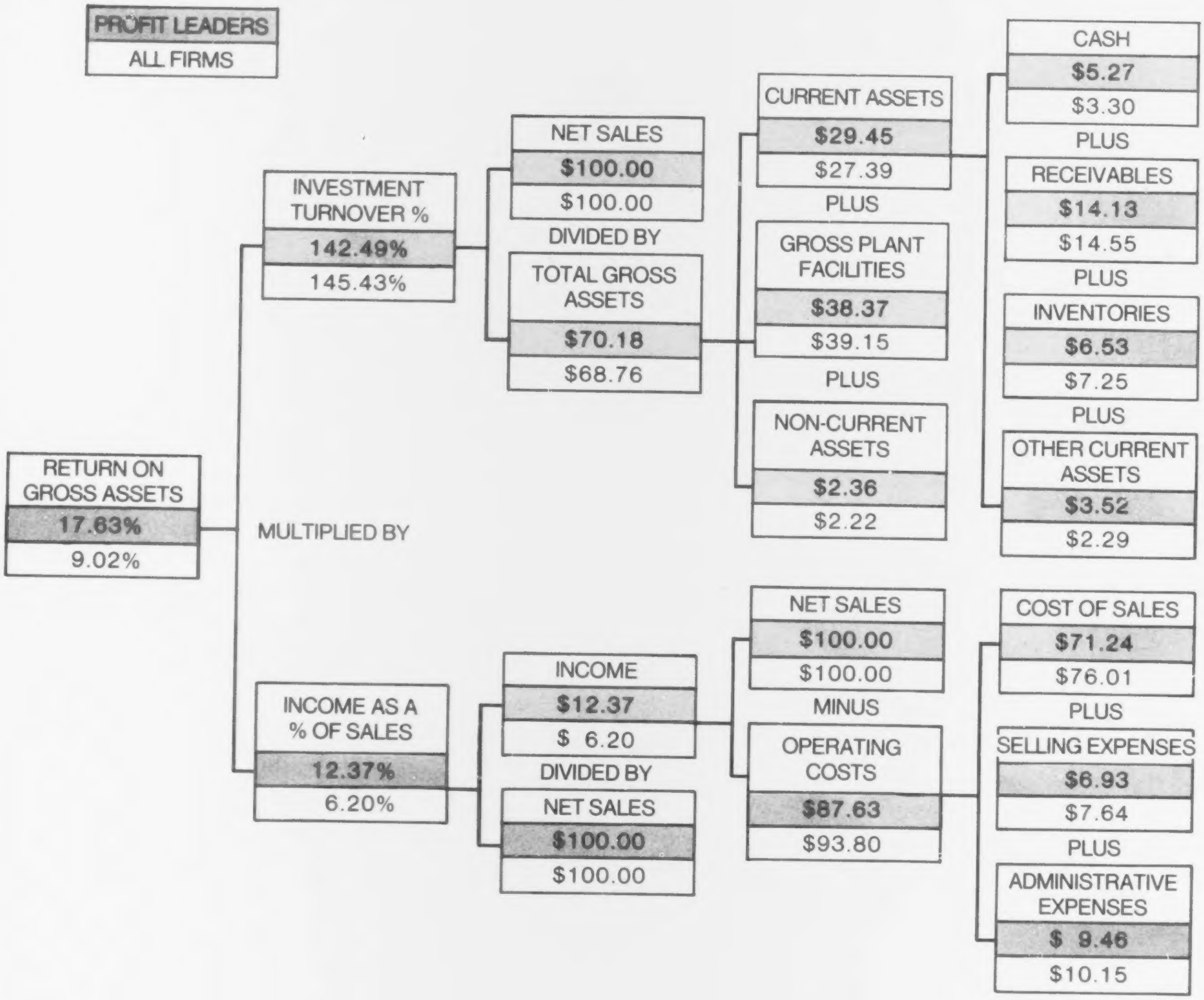
What Is a Fair ROI?

The "All Firms" ROI of 9.02% on gross assets and 19.92% on net assets is hardly adequate to justify investment. The "Profit Leaders" ROI is 17.63% on gross assets and 35.32% on net assets. The high-profit companies appear to achieve an ROI more commensurate with the economic risk.

The printing industry presents substantial risk and, therefore, the return related to that risk should be substantially higher than prevailing interest rates. Thus, your ROI should exceed 20% on a new-asset venture, or 30% on net assets.

Return on Investment (ROI) Chart — All Printers

RETURN ON INVESTMENT CHART—BASE: $100 OF SALES


PROFIT LEADERS
ALL FIRMS
RETURN ON GROSS ASSETS
17.63%
9.02%
MULTIPLIED BY
INVESTMENT TURNOVER %
142.49%
145.43%
NET SALES
$100.00
$100.00
DIVIDED BY
TOTAL GROSS ASSETS
$70.18
$68.76
CURRENT ASSETS
$29.45
$27.39
PLUS
GROSS PLANT FACILITIES
$38.37
$39.15
PLUS
NON-CURRENT ASSETS
$2.36
$2.22
CASH
$5.27
$3.30
PLUS
RECEIVABLES
$14.13
$14.55
PLUS
INVENTORIES
$6.53
$7.25
PLUS
OTHER CURRENT ASSETS
$3.52
$2.29
INCOME AS A % OF SALES
12.37%
6.20%
INCOME
$12.37
$ 6.20
DIVIDED BY
NET SALES
$100.00
$100.00
NET SALES
$100.00
$100.00
MINUS
OPERATING COSTS
$87.63
$93.80
COST OF SALES
$71.24
$76.01
PLUS
SELLING EXPENSES
$6.93
$7.64
PLUS
ADMINISTRATIVE EXPENSES
$ 9.46
$10.15

Return on Investment—Per $100 of Sales

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.30	$ 5.27	$ 4.08	$ 4.37	$ 4.53	$ 7.73
Receivables	14.55	14.13	11.74	11.07	13.55	11.49
Inventories	7.25	6.53	5.15	4.15	5.69	4.29
Marketable securities	0.99	2.11	0.68	1.25	0.33	0.46
Other current assets	1.30	1.41	1.25	1.62	1.54	0.69
	27.39	29.45	22.90	22.46	25.64	24.66
Plant Investment:						
Land and building	5.98	5.46	6.55	4.92	5.50	4.45
Machinery and equipment	29.94	29.81	35.08	35.81	33.41	31.72
Other fixed assets	3.23	3.10	4.97	4.83	3.21	2.66
	39.15	38.37	46.60	45.56	42.12	38.83
Non-Current Assets	2.22	2.36	3.12	2.75	1.39	1.47
TOTAL INVESTMENT	68.76	70.18	72.62	70.77	69.15	64.96
INVESTMENT TURNOVER PER $100 OF SALES	145.43%	142.49%	137.70%	141.30%	144.61%	153.94%
EARNINGS						
Cost of Product	$76.01	$71.24	$74.08	$69.05	$74.62	$68.70
Selling Expenses	7.64	6.93	5.36	4.19	6.08	4.68
Administrative Expenses	10.15	9.46	13.82	11.47	13.79	13.35
	93.80	87.63	93.26	84.71	94.49	86.73
Income Before Interest, Other Income, and Taxes	6.20	12.37	6.74	15.29	5.51	13.27
RETURN ON INVESTMENT— INVESTMENT TURNOVER x INCOME	9.02%	17.63%	9.28%	21.60%	7.97%	20.43%

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.74	$ 6.03	$ 3.15	$ 5.05	$ 2.85	$ 6.08	$ 1.36	$ 2.45
14.60	14.82	14.89	15.07	15.18	14.05	15.42	14.97
6.08	4.83	7.66	7.13	8.90	7.96	10.26	10.41
1.15	2.86	1.00	2.46	0.98	1.45	1.29	2.38
1.58	1.36	1.24	1.95	0.83	0.83	1.04	1.38
27.15	29.90	27.94	31.66	28.74	30.37	29.37	31.59
5.23	5.30	5.67	5.20	7.40	5.90	7.60	6.87
29.12	29.82	29.44	29.56	28.96	26.10	28.49	28.40
3.63	3.14	3.22	3.24	2.57	3.07	1.67	1.91
37.98	38.26	38.33	38.00	38.93	35.07	37.76	37.18
2.03	1.78	1.94	2.15	2.84	3.98	3.21	2.68
67.16	69.94	68.21	71.81	70.51	69.42	70.34	71.45
148.90%	142.98%	146.61%	139.26%	141.82%	144.05%	142.17%	139.96%
$74.24	$69.85	$76.14	$71.14	$78.14	$72.67	$80.79	$75.87
8.02	7.12	8.63	8.14	7.90	8.47	5.98	6.26
11.69	10.96	9.42	8.71	6.86	7.51	6.05	5.86
93.95	87.93	94.19	87.99	92.90	88.65	92.82	87.99
6.05	12.07	5.81	12.01	7.10	11.35	7.18	12.01
9.01%	**17.26%**	**8.52%**	**16.73%**	**10.07%**	**16.35%**	**10.21%**	**16.81%**

Absolute Data

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL — ALL PRINTING FIRMS	1,071	$ 2,285,000	$ 4,394,000	$ 273,000
TOTAL — PROFIT LEADERS*	290	2,882,000	5,359,000	623,000
BY SIZE OF FIRM:				
ALL FIRMS				
0-$250,000	73	93,000	172,000	10,000
$250,000-$500,000	98	186,000	375,000	16,000
$500,000-$1,500,000	311	443,000	934,000	49,000
$1,500,000-$5,000,000	361	1,385,000	2,777,000	129,000
$5,000,000-$10,000,000	118	3,661,000	7,028,000	436,000
Over $10,000,000	110	12,292,000	23,048,000	1,613,000
PROFIT LEADERS				
0-$250,000	28	84,000	156,000	20,000
$250,000-$500,000	28	168,000	357,000	46,000
$500,000-$1,500,000	77	467,000	889,000	107,000
$1,500,000-$5,000,000	77	1,476,000	2,700,000	317,000
$5,000,000-$10,000,000	39	3,546,000	6,936,000	820,000
Over $10,000,000	41	13,194,000	24,220,000	2,787,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on Page 3.

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
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Arlington, VA 22209
(703) 841-8136

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58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
All Printers by Product Specialty

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Printing Industries of America Inc.

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Printed in U.S.A.

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR ALL PRINTERS BY PRODUCT SPECIALTY who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of printing firms by product specialty -- for example, Commercial and Advertising, Magazine and Periodical, etc.

Thus, the user of the report can direct himself to the standards for his size firm in the Report on Operations based on Value Added and its Supporting Schedules, the Report on Operations based on Sales and its Supporting Schedules, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 1,071 printing firms. This is in comparison to 936 firms in 1980 and represents a 14% increase in the number of participating firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  - Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume.*

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
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TABLE OF CONTENTS

Page Number

FOREWORD 2

VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFITS.. 4- 5

ALL PRINTERS BY PRODUCT SPECIALTY 6-19
    Commercial and Advertising
    Magazine and Periodical
    Newspaper
    Financial
    Catalog and Directory
    Tag and Label
    Packaging

  REPORT ON OPERATIONS - VALUE ADDED = 100% 6- 7

  SUPPORTING SCHEDULES - VALUE ADDED = 100% 8- 9

  REPORT ON OPERATIONS - SALES = 100% 10-11

  SUPPORTING SCHEDULES - SALES = 100% 10-13

  BALANCE SHEET 14-15

  SIGNIFICANT FACTS 16-17

  RETURN ON INVESTMENT - PER $100 OF SALES 18-19

ABSOLUTE DATA 20

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

Value Added - What Is It?

In printing, Value Added is simply your sales less material costs. It is the technical term for sales of your own manufacture and is also referred to as Inside Sales.

Ignoring the Value Added concept produces a poor profit. Of course, there can be several reasons for poor operating performance. In many cases, though, at least one of the answers can be found in a basic fact of accounting:

"Profit is achieved from Sales of your own manufacture."

Value Added and Profit

Too often, printers look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

For example, consider the following two possible results of a printing operation for a given month:

	FIRM A	FIRM B
Sales	$100,000	$ 90,000
Materials	35,000	15,000
Inside Sales	$ 65,000	$ 75,000

As shown above, sales of $100,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 a month that provide $75,000 of Inside Sales. The latter yields $10,000 more to cover overhead. Clearly, the sales figures in the statement are misleading; Value Added gives a truer picture of profit.

Note that the deficiency is not in sales; Firm A has more sales per month. It is the Value Added that is short. Management must understand that "Inside Sales" pay the rent, insurance, and administrative expenses - and make a profit.

Put another way: If you sell a press for $50 an hour, you recover the full $50 with which to pay overhead. But if you sell materials for $50 plus a 20% mark-up, you are left with only $10 to pay overhead. Obviously the press is the "better sale." There is nothing wrong in selling materials at $10 Value Added. The only thing wrong is to believe that the press and the materials are equally valuable sales; clearly they are not.

> "There are 'good sales' and 'better sales.' 'Better sales' are those with the higher dollar Value Added - all others are just 'good sales'."

PIA Value Added Ratios - A Truer Picture

It may be said that you are not similar to the average printer because of your product mix. If you compare your operation to the PIA ratios on the basis of sales, there will be distortion due to variations in materials. But your percentages of the base Value Added will exclude these variations, giving reliable data for evaluating your operations.

In keeping with the Value Added concept, management would be better informed if it prepared its Profit and Loss Statement on the basis of Inside Sales, as shown in the accompanying table. This type of presentation is more meaningful because it advises management to start its financial analysis with Value Added, rather than sales volume.

STATEMENT OF INCOME BASED ON VALUE ADDED

Sales or Value of Product	$ X	
Less: Paper, Other Chargeable Materials and Outside Services	X	
Value Added By Manufacture	X	100.00%*
Factory Payroll	X	38.66
Factory Expenses	X	17.47
Total Factory Cost of Product	X	56.13
Gross Profit	X	43.87
Administrative and Selling Expenses		
Administrative Expenses	X	14.22
Selling Expenses	X	10.64
Total Administrative and Selling Expenses	X	24.86
Income Before Interest Expense	X	19.01
Interest Expense	X	2.00
Operating Income	X	17.01
Other Income	X	1.28
Income Before Income Taxes	X	18.29%

* Source: Report on Operations (Profit Leaders)
1981 PIA Ratio Study, Sales Volume Study

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.04	38.61	51.20	46.21	50.66	40.23
FACTORY EXPENSES	18.58	16.91	20.85	19.76	22.84	27.00
TOTAL FACTORY COST OF PRODUCT	61.62	55.52	72.05	65.97	73.50	67.23
GROSS PROFIT	38.38	44.48	27.95	34.03	26.50	32.77
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	16.23	14.88	11.83	9.30	13.74	13.41
Selling expenses	12.61	10.90	8.28	5.61	3.18	4.16
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.84	25.78	20.11	14.91	16.92	17.57
INCOME BEFORE INTEREST EXPENSE	9.54	18.70	7.84	19.12	9.58	15.20
Interest expense	2.81	2.14	3.21	1.69	3.06	1.08
OPERATING INCOME	6.73	16.56	4.63	17.43	6.52	14.12
Other income (expense)	1.10	1.38	0.95	1.75	1.62	1.56
INCOME BEFORE INCOME TAXES	7.83	17.94	5.58	19.18	8.14	15.68

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
43.90	42.82	43.73	46.98	40.74	38.03	45.52
15.35	11.79	19.53	21.13	19.43	17.69	19.31
59.25	54.61	63.26	68.11	60.17	55.72	64.83
40.75	45.39	36.74	31.89	39.83	44.28	35.17
13.54	12.07	13.24	9.24	16.66	13.01	12.59
12.90	13.22	8.44	6.38	11.36	13.51	12.97
26.44	25.29	21.68	15.62	28.02	26.52	25.56
14.31	20.10	15.06	16.27	11.81	17.76	9.61
1.39	0.82	2.86	1.01	3.26	2.89	2.33
12.92	19.28	12.20	15.26	8.55	14.87	7.28
(0.85)	(1.09)	1.54	2.69	1.81	4.09	2.18
12.07	18.19	13.74	17.95	10.36	18.96	9.46

ALL PRINTERS BY PRODUCT SPECIALTY

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	3.16%	2.94%	2.66%	2.27%	2.90%	3.31%
Direct wages	30.36	26.60	32.22	28.52	37.56	26.53
General factory salaries and wages	3.17	3.47	6.46	7.18	2.63	3.11
Packing, shipping and delivery wages	1.28	1.16	1.60	1.11	1.32	1.99
Payroll taxes	2.37	2.13	3.44	3.14	2.86	2.38
Employee benefits	2.70	2.31	4.82	3.99	3.39	2.91
TOTAL FACTORY PAYROLL	43.04	38.61	51.20	46.21	50.66	40.23
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.34	0.32	1.00	0.33	0.48	0.42
Depreciation - other	4.32	4.43	4.39	5.22	4.21	4.18
Taxes - real estate	0.29	0.24	0.27	0.32	0.24	0.15
Taxes - other	0.28	0.23	0.27	0.18	0.30	0.29
Insurance	0.97	0.91	0.44	0.38	0.74	0.55
Building rent	2.36	2.17	1.19	0.67	0.99	0.88
Utilities - heat, light, etc.	1.66	1.41	2.19	2.24	1.53	1.33
Equipment rental	0.81	0.57	0.85	0.62	0.41	0.30
Total Fixed Expenses	11.03	10.28	10.60	9.96	8.90	8.10
Other Expenses						
Factory supplies and expense	2.80	2.52	5.02	4.58	3.55	2.68
Packing, shipping and delivery expense	1.67	1.49	1.72	1.85	3.62	5.98
Repairs and maintenance	2.01	1.78	2.24	2.29	3.15	2.64
Other factory expenses	1.07	0.84	1.27	1.08	3.62	7.60
Total Other Expenses	7.55	6.63	10.25	9.80	13.94	18.90
TOTAL FACTORY EXPENSES	18.58	16.91	20.85	19.76	22.84	27.00
ADMINISTRATIVE EXPENSES						
Salaries - executive	5.14	5.28	3.17	2.65	3.62	2.79
Salaries - office	4.17	3.55	3.00	2.44	3.75	3.82
Payroll taxes	0.50	0.42	0.51	0.41	0.62	0.84
Employee benefits	0.80	0.67	0.86	1.05	0.82	0.75
Bad debts	0.74	0.58	0.66	0.28	0.77	1.05
Office supplies and expenses	0.83	0.76	0.53	0.47	0.56	0.57
Professional fees	0.91	0.85	0.70	0.51	1.42	1.12
Taxes - business	0.28	0.26	0.09	0.08	0.20	0.39
Telephone	0.77	0.67	0.59	0.43	0.61	0.64
Other administrative expenses	2.09	1.84	1.72	0.98	1.37	1.44
TOTAL ADMINISTRATIVE EXPENSES	16.23	14.88	11.83	9.30	13.74	13.41
SELLING EXPENSES						
Salaries - executive	2.19	2.06	1.14	0.51	0.66	1.09
Salaries and commissions - salesmen	5.66	4.92	2.53	1.72	1.12	0.82
Salaries - sales office clerical	0.80	0.65	1.77	1.19	0.23	0.54
Payroll taxes	0.38	0.32	0.30	0.16	0.09	0.12
Employee benefits	0.42	0.35	0.47	0.24	0.08	0.15
Advertising	0.70	0.63	0.32	0.19	0.33	0.61
Travel and entertainment	1.52	1.28	0.68	0.65	0.45	0.43
Other selling expenses	0.94	0.69	1.07	0.95	0.22	0.40
TOTAL SELLING EXPENSES	12.61	10.90	8.28	5.61	3.18	4.16

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.22%	1.19%	3.20%	2.67%	2.07%	1.52%	2.61%
27.70	27.96	28.18	27.51	24.72	27.13	24.40
6.95	6.98	3.67	5.03	6.79	3.30	8.62
1.07	0.74	2.31	3.45	0.62	0.92	1.90
1.74	1.74	2.80	2.80	2.20	1.53	2.70
4.22	4.21	3.57	5.52	4.34	3.63	5.29
43.90	42.82	43.73	46.98	40.74	38.03	45.52
0.17	0.19	0.32	0.45	0.66	0.86	0.40
3.55	3.00	3.91	3.03	3.91	4.39	3.73
0.21	0.21	0.17	0.26	0.49	0.75	0.61
0.38	0.13	0.48	0.51	0.33	0.00	0.43
0.31	0.26	0.73	0.86	0.91	0.57	0.83
1.93	1.34	1.27	0.97	1.61	0.06	1.47
1.31	1.14	1.89	1.83	1.76	1.54	1.98
0.33	0.34	1.29	1.88	0.38	0.16	0.54
8.19	6.61	10.06	9.79	10.05	8.33	9.99
3.85	3.30	4.73	6.22	3.57	2.63	3.34
1.13	0.81	1.71	2.36	1.64	1.95	1.95
2.18	1.83	2.28	2.03	1.58	1.89	2.40
0.00	(0.76)	0.75	0.73	2.59	2.89	1.63
7.16	5.18	9.47	11.34	9.38	9.36	9.32
15.35	11.79	19.53	21.13	19.43	17.69	19.31
3.75	3.09	4.03	2.99	6.03	3.79	5.06
3.03	2.63	2.57	1.95	3.97	3.78	2.92
0.27	0.12	0.38	0.35	0.47	0.31	0.38
0.62	0.34	0.93	1.15	1.19	0.86	0.60
0.41	0.49	0.24	0.03	0.22	0.44	0.17
1.05	1.14	0.69	0.14	0.74	0.48	0.45
0.98	0.97	1.56	0.59	0.86	0.59	0.86
0.12	0.13	0.09	0.15	0.18	0.10	0.32
0.68	0.45	0.50	0.38	0.59	0.52	0.71
2.63	2.71	2.25	1.51	2.41	2.14	1.12
13.54	12.07	13.24	9.24	16.66	13.01	12.59
1.86	2.39	1.84	0.55	1.78	1.41	1.93
6.57	6.88	3.01	3.74	5.06	8.19	5.25
0.73	0.56	0.78	0.12	0.72	1.69	1.17
0.22	0.17	0.29	0.19	0.26	0.21	0.39
0.65	0.68	0.24	0.28	0.40	0.46	0.66
0.45	0.49	0.18	0.11	0.32	0.41	0.47
1.56	1.45	0.88	0.48	1.47	0.69	1.67
0.86	0.60	1.22	0.91	1.35	0.45	1.43
12.90	13.22	8.44	6.38	11.36	13.51	12.97

ALL PRINTERS BY PRODUCT SPECIALTY

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIAL						
Paper	22.40	21.35	27.54	25.05	32.19	29.44
Other chargeable materials	5.14	4.98	6.12	7.39	6.96	4.79
Outside services	8.73	7.99	4.27	3.94	2.73	2.24
TOTAL MATERIAL	36.27	34.32	37.93	36.38	41.88	36.47
FACTORY PAYROLL	27.42	25.38	31.90	29.30	29.11	25.27
FACTORY EXPENSES	11.82	11.12	12.62	12.45	13.56	17.86
TOTAL FACTORY COST OF PRODUCT	75.51	70.82	82.45	78.13	84.55	79.60
GROSS PROFIT	24.49	29.18	17.55	21.87	15.45	20.40
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.42	9.87	7.57	6.05	8.34	8.48
Selling expenses	7.99	7.10	5.38	3.56	1.92	2.60
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.41	16.97	12.95	9.61	10.26	11.08
INCOME BEFORE INTEREST EXPENSE	6.08	12.21	4.60	12.26	5.19	9.32
Interest expense	1.77	1.42	1.91	1.09	1.68	0.63
OPERATING INCOME	4.31	10.79	2.69	11.17	3.51	8.69
Other income (expense)	0.68	0.89	0.53	1.03	1.00	1.06
INCOME BEFORE INCOME TAXES	4.99	11.68	3.22	12.20	4.51	9.75

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS						
Ink	1.42%	1.57%	2.76%	5.39%	2.78%	0.90%
Film	1.18	1.06	1.31	0.48	2.05	1.94
Plates	1.26	1.35	1.19	1.17	1.59	1.31
Other chargeable materials	1.28	1.00	0.86	0.35	0.54	0.64
TOTAL OTHER CHARGEABLE MATERIALS	5.14	4.98	6.12	7.39	6.96	4.79
OUTSIDE SERVICES						
Composition	1.06	0.86	0.39	0.11	0.00	0.00
Offset preparation	1.67	1.74	0.89	0.67	0.15	1.27
Printing	2.18	2.37	0.58	1.29	0.00	0.00
Binding	2.14	1.89	1.16	0.87	2.21	0.87
Other outside services	1.68	1.13	1.25	1.00	0.37	0.10
TOTAL OUTSIDE SERVICES	8.73	7.99	4.27	3.94	2.73	2.24

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
14.41	14.10	27.94	25.87	28.36	25.17	32.15
6.09	5.42	6.80	5.66	5.07	7.29	4.68
8.84	8.01	2.77	1.47	4.33	3.26	5.33
29.34	27.53	37.51	33.00	37.76	35.72	42.16
31.27	31.39	27.68	31.51	25.44	24.91	26.39
10.63	8.42	12.18	14.23	11.88	10.98	11.38
71.24	67.34	77.37	78.74	75.08	71.61	79.93
28.76	32.66	22.63	21.26	24.92	28.39	20.07
9.41	8.57	8.10	6.19	10.41	8.38	7.18
9.13	9.64	5.24	4.10	7.08	8.60	7.56
18.54	18.21	13.34	10.29	17.49	16.98	14.74
10.22	14.45	9.29	10.97	7.43	11.41	5.33
1.03	0.67	1.60	0.66	1.93	1.70	1.34
9.19	13.78	7.69	10.31	5.50	9.71	3.99
(0.66)	(0.85)	0.95	1.79	1.08	2.48	1.31
8.53	12.93	8.64	12.10	6.58	12.19	5.30
0.96%	2.78%	2.51%	0.53%	2.05%	2.88%	2.15%
1.28	0.68	1.27	1.52	0.21	0.41	0.77
2.25	1.10	1.00	0.57	1.11	0.65	0.45
1.60	0.86	2.02	3.04	1.70	3.35	1.31
6.09	5.42	6.80	5.66	5.07	7.29	4.68
0.88	1.96	0.89	0.02	0.83	1.37	0.14
1.73	2.50	0.26	0.07	0.75	0.18	0.74
1.03	0.92	0.28	0.00	1.71	0.65	0.88
3.48	1.72	0.92	1.38	0.38	0.37	0.50
1.72	0.91	0.42	0.00	0.66	0.69	3.07
8.84	8.01	2.77	1.47	4.33	3.26	5.33

ALL PRINTERS BY PRODUCT SPECIALTY

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	2.02%	1.93%	1.61%	1.48%	1.69%	2.24%
Direct wages	19.33	17.47	19.90	17.99	21.38	16.59
General factory salaries and wages	2.03	2.32	4.15	4.61	1.60	1.97
Packing, shipping and delivery wages	0.81	0.75	0.98	0.69	0.79	1.20
Payroll taxes	1.52	1.40	2.16	2.03	1.64	1.46
Employee benefits	1.71	1.51	3.10	2.50	2.01	1.81
TOTAL FACTORY PAYROLL	27.42	25.38	31.90	29.30	29.11	25.27
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.22	0.21	0.60	0.20	0.29	0.27
Depreciation - other	2.74	2.88	2.66	3.35	2.39	2.57
Taxes - real estate	0.18	0.16	0.16	0.19	0.13	0.10
Taxes - other	0.18	0.15	0.17	0.11	0.18	0.20
Insurance	0.62	0.60	0.27	0.25	0.46	0.34
Building rent	1.52	1.45	0.72	0.47	0.50	0.48
Utilities - heat, light, etc.	1.05	0.92	1.31	1.42	0.91	0.85
Equipment rental	0.53	0.39	0.52	0.38	0.23	0.18
Total Fixed Expenses	7.04	6.76	6.41	6.37	5.09	4.99
Other Expenses						
Factory supplies and expense	1.78	1.67	3.08	2.85	1.96	1.80
Packing, shipping and delivery expense	1.05	0.98	1.02	1.08	2.18	3.86
Repairs and maintenance	1.26	1.16	1.33	1.50	1.67	1.53
Other factory expenses	0.69	0.55	0.78	0.65	2.66	5.68
Total Other Expenses	4.78	4.36	6.21	6.08	8.47	12.87
TOTAL FACTORY EXPENSES	11.82	11.12	12.62	12.45	13.56	17.86
ADMINISTRATIVE EXPENSES						
Salaries - executive	3.32	3.53	1.99	1.74	2.11	1.70
Salaries - office	2.68	2.36	1.92	1.57	2.35	2.52
Payroll taxes	0.32	0.28	0.32	0.26	0.41	0.58
Employee benefits	0.51	0.43	0.57	0.70	0.54	0.46
Bad debts	0.47	0.38	0.39	0.17	0.47	0.67
Office supplies and expenses	0.53	0.51	0.33	0.33	0.33	0.35
Professional fees	0.59	0.56	0.47	0.35	0.86	0.73
Taxes - business	0.18	0.17	0.06	0.05	0.12	0.25
Telephone	0.49	0.44	0.38	0.28	0.37	0.40
Other administrative expenses	1.33	1.21	1.14	0.60	0.78	0.82
TOTAL ADMINISTRATIVE EXPENSES	10.42	9.87	7.57	6.05	8.34	8.48
SELLING EXPENSES						
Salaries - executive	1.39	1.35	0.73	0.33	0.43	0.66
Salaries and commissions - salesmen	3.56	3.18	1.59	1.08	0.62	0.48
Salaries - sales office clerical	0.52	0.42	1.19	0.72	0.15	0.36
Payroll taxes	0.24	0.21	0.19	0.10	0.06	0.08
Employee benefits	0.27	0.23	0.32	0.15	0.05	0.10
Advertising	0.46	0.42	0.20	0.12	0.23	0.40
Travel and entertainment	0.96	0.84	0.44	0.42	0.25	0.26
Other selling expenses	0.59	0.45	0.72	0.64	0.13	0.26
TOTAL SELLING EXPENSES	7.99	7.10	5.38	3.56	1.92	2.60

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.58%	0.89%	2.22%	1.82%	1.35%	1.00%	1.53%
19.76	20.46	17.78	18.48	15.50	17.85	14.26
4.79	4.91	2.25	3.31	4.18	2.11	4.79
0.72	0.52	1.45	2.27	0.38	0.59	1.11
1.27	1.32	1.74	1.87	1.35	0.98	1.62
3.15	3.29	2.24	3.76	2.68	2.38	3.08
31.27	31.39	27.68	31.51	25.44	24.91	26.39
0.13	0.15	0.20	0.29	0.39	0.56	0.23
2.45	2.09	2.33	2.00	2.37	2.62	2.26
0.15	0.16	0.10	0.17	0.32	0.49	0.34
0.26	0.11	0.30	0.34	0.20	0.00	0.26
0.22	0.20	0.47	0.58	0.55	0.37	0.49
1.26	0.83	0.87	0.68	0.99	0.04	0.84
0.94	0.86	1.13	1.21	1.09	0.99	1.15
0.26	0.28	0.88	1.33	0.24	0.11	0.28
5.67	4.68	6.28	6.60	6.15	5.18	5.85
2.82	2.59	2.92	4.17	2.18	1.70	1.90
0.74	0.55	1.12	1.62	1.00	1.17	1.18
1.46	1.21	1.42	1.36	0.99	1.22	1.45
(0.06)	(0.61)	0.44	0.48	1.56	1.71	1.00
4.96	3.74	5.90	7.63	5.73	5.80	5.53
10.63	8.42	12.18	14.23	11.88	10.98	11.38
2.53	2.09	2.53	1.98	3.71	2.35	2.75
2.08	1.81	1.55	1.30	2.51	2.50	1.73
0.19	0.09	0.24	0.23	0.29	0.20	0.23
0.44	0.27	0.57	0.80	0.76	0.56	0.35
0.31	0.40	0.15	0.02	0.14	0.29	0.10
0.74	0.82	0.40	0.09	0.46	0.31	0.26
0.70	0.70	1.01	0.40	0.53	0.39	0.51
0.09	0.09	0.06	0.11	0.11	0.07	0.20
0.45	0.31	0.31	0.26	0.37	0.32	0.42
1.88	1.99	1.28	1.00	1.53	1.39	0.63
9.41	8.57	8.10	6.19	10.41	8.38	7.18
1.39	1.88	1.26	0.34	1.13	0.93	1.14
4.56	4.79	1.83	2.42	3.20	5.19	3.00
0.52	0.43	0.48	0.08	0.46	1.09	0.69
0.16	0.13	0.19	0.12	0.16	0.13	0.23
0.49	0.56	0.14	0.18	0.24	0.30	0.39
0.34	0.40	0.12	0.08	0.20	0.25	0.30
1.04	0.98	0.51	0.31	0.89	0.43	0.97
0.63	0.47	0.71	0.57	0.80	0.28	0.84
9.13	9.64	5.24	4.10	7.08	8.60	7.56

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	7.19%	10.78%	2.07%	6.11%	5.99%	7.66%
Receivables	32.05	29.32	29.68	22.81	27.40	22.79
Inventories	13.82	11.04	20.28	16.74	14.27	13.05
Other current assets	4.68	6.50	2.46	5.63	5.79	8.26
TOTAL CURRENT ASSETS	57.74	57.64	54.49	51.29	53.45	51.76
FIXED ASSETS						
Real estate	9.22	8.35	13.01	14.99	17.55	16.48
Less: Accumulated depreciation	2.69	1.96	4.13	5.05	6.07	6.44
	6.53	6.39	8.88	9.94	11.48	10.04
Machinery and equipment	63.02	57.81	65.07	64.29	63.06	71.38
Less: Accumulated depreciation	34.78	29.32	34.54	31.48	33.65	41.11
	28.24	28.49	30.53	32.81	29.41	30.27
Other fixed assets	7.23	6.83	4.47	3.94	3.32	4.43
Less: Accumulated depreciation	3.67	3.47	2.20	1.94	2.06	2.62
	3.56	3.36	2.27	2.00	1.26	1.81
NET FIXED ASSETS	38.33	38.24	41.68	44.75	42.15	42.12
OTHER ASSETS	3.93	4.12	3.83	3.96	4.40	6.12
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	8.50	5.84	7.58	4.60	9.99	3.13
Accounts payable	14.51	10.99	13.23	11.02	14.51	9.79
Other current liabilities	9.25	9.17	7.41	7.89	9.21	8.54
TOTAL CURRENT LIABILITIES	32.26	26.00	28.22	23.51	33.71	21.46
LONG-TERM LIABILITIES	24.03	21.00	27.44	20.53	21.90	21.72
TOTAL LIABILITIES	56.29	47.00	55.66	44.04	55.61	43.18
SHAREHOLDERS' AND PROPRIETORS' EQUITY	43.71	53.00	44.34	55.96	44.39	56.82
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.79	2.22	1.93	2.18	1.59	2.41
QUICK RATIO	1.36	1.79	1.21	1.47	1.16	1.80
TOTAL LIABILITIES TO EQUITY	1.29	0.89	1.26	0.79	1.25	0.76
LONG-TERM LIABILITIES TO EQUITY	0.55	0.40	0.62	0.37	0.49	0.38
ACCUMUALTED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.51	0.53	0.49	0.53	0.58

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
6.40%	9.73%	9.38%	13.26%	6.13%	4.92%	5.69%
28.17	28.78	23.74	24.19	25.28	25.79	22.14
23.57	23.22	20.32	21.04	20.51	16.90	25.11
2.43	2.48	6.47	9.79	6.00	12.09	6.88
60.57	64.21	59.91	68.28	57.92	59.70	59.82
8.76	7.44	11.86	13.59	15.10	29.22	14.49
2.11	2.94	3.60	3.75	4.57	9.43	6.89
6.65	4.50	8.26	9.84	10.53	19.79	7.60
55.30	42.70	47.63	41.68	55.67	46.38	62.69
31.09	23.21	23.44	22.77	31.00	28.09	35.80
24.21	19.49	24.19	18.91	24.67	18.29	26.89
4.08	6.04	7.15	1.44	3.71	2.06	7.11
1.99	3.02	3.22	0.69	1.67	1.31	4.16
2.09	3.02	3.93	0.75	2.04	0.75	2.95
32.95	27.01	36.38	29.50	37.24	38.83	37.44
6.48	8.78	3.71	2.22	4.84	1.47	2.74
100.00	100.00	100.00	100.00	100.00	100.00	100.00
6.51	1.10	3.92	0.96	8.06	2.92	4.60
13.64	15.53	9.99	5.41	9.46	4.27	9.22
14.11	13.67	15.19	21.25	9.83	13.92	6.04
34.26	30.30	29.10	27.62	27.35	21.11	19.86
23.33	7.00	20.88	8.10	18.37	16.43	16.64
57.59	37.30	49.98	35.72	45.72	37.54	36.50
42.41	62.70	50.02	64.28	54.28	62.46	63.50
100.00	100.00	100.00	100.00	100.00	100.00	100.00

1.77	2.12	2.06	2.47	2.12	2.83	3.01
1.08	1.35	1.36	1.71	1.37	2.03	1.75
1.36	0.59	1.00	0.56	0.84	0.60	0.57
0.55	0.11	0.42	0.13	0.34	0.26	0.26
0.56	0.54	0.49	0.55	0.56	0.61	0.57

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee - All employees	$ 26,006	$ 29,904	$ 28,105	$ 34,365	$ 30,653	$ 30,967
Average assets per factory employee (Excluding Executives)	37,879	43,717	34,905	40,491	38,609	42,100
Average net worth per employee - All employees	11,337	15,374	12,687	19,197	12,859	16,736
Average gross plant investment per factory employee (Excluding Executives)	28,975	31,257	27,683	32,601	29,694	35,288
Net worth percentage of fixed assets	153.42%	199.22%	186.91%	128.03%	109.99%	135.94%
EMPLOYEES						
Percent factory - All employees	73.93%	73.98%	84.20%	87.90%	84.68%	81.27%
Percent administrative - All employees	15.20	15.67	9.26	7.33	12.72	14.96
Percent sales - All employees	10.87	10.35	6.54	4.77	2.60	3.77
SALES - VALUE OF PRODUCT PRODUCED						
INCLUDING EXECUTIVES						
Sales per employee - All employees	$ 52,625	$ 55,706	$ 54,161	$ 59,411	$ 57,394	$ 66,776
Sales per factory employee	72,376	76,646	64,184	67,799	70,276	86,589
Sales less material per factory employee	45,076	49,257	38,125	41,682	39,762	52,659
Sales per administrative employee	458,229	479,212	727,619	995,172	533,352	473,495
EXCLUDING EXECUTIVES						
Sales per employee - All employees	59,264	63,369	57,960	62,405	61,529	72,684
Sales per factory employee	76,770	81,485	66,671	70,029	72,469	89,886
Sales less material per factory employee	47,832	52,379	39,589	43,072	40,906	54,544
SALES PER SALESMAN	458,730	482,560	1,714,226	2,903,314	1,934,485	568,971
SALES TO CURRENT ASSETS	423%	426%	412%	352%	392%	439%
PAYROLL - INCLUDING TAXES AND BENEFITS						
INCLUDING EXECUTIVES						
Total payroll percentage of sales	40.23%	37.35%	40.71%	35.96%	35.84%	32.21%
Factory payroll percentage of gross plant investment	87.85	83.87	156.26	64.46	73.67	57.02
Payroll per employee - All employees	$ 20,372	$ 20,168	$ 20,384	$ 20,666	$ 18,450	$ 19,914
Payroll per factory employee	18,828	18,417	19,196	19,222	17,928	19,151
Payroll per administrative employee	23,572	23,590	26,129	32,642	19,075	17,153
Payroll per sales employee	29,024	28,812	31,992	30,183	18,191	21,318
PAYROLL - EXCLUDING TAXES AND BENEFITS						
EXCLUDING EXECUTIVES						
Payroll per employee - All employees	$ 16,404	$ 16,152	$ 16,036	$ 16,290	$ 14,694	$ 15,428
Payroll per factory employee	16,068	15,697	15,737	15,903	14,990	15,686
Payroll per administrative employee	12,719	11,897	13,065	14,681	10,439	8,638
Payroll per sales employee	22,526	22,585	25,596	25,299	13,309	12,055
EXECUTIVE PAYROLL						
Payroll per executive - All executives	35,909	38,391	38,264	42,504	37,470	44,426
Payroll per factory executive	23,762	24,795	28,158	34,033	30,007	44,817
Payroll per administrative executive	40,124	42,906	48,497	58,150	33,321	35,437
Payroll per sales executive	28,090	30,907	34,416	36,659	19,925	29,138
RECEIVABLES						
Collection period	55.4	53.6	54.9	50.4	57.1	44.4
PROFIT						
Gross profit percentage of sales	24.49%	29.18%	17.55%	21.87%	15.45%	20.40%
Average gross profit per factory employee	$ 19,023	$ 23,998	$ 11,361	$ 14,660	$ 12,549	$ 19,336
Income before taxes percentage of sales	4.99%	11.68%	3.22%	12.20%	4.51%	9.75%
Average income before taxes per employee	$ 2,852	$ 6,535	$ 2,259	$ 7,120	$ 3,420	$ 6,415

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 29,806	$ 36,301	$ 31,572	$ 33,216	$ 35,429	$ 38,422	$ 27,872
40,239	47,504	40,002	41,104	51,259	51,349	37,083
14,536	23,014	15,071	21,084	18,317	22,396	16,536
25,840	26,346	29,953	28,678	37,757	38,927	29,495
182.12%	290.68%	302.97%	555.03%	164.03%	172.84%	205.45%
77.78%	78.55%	83.89%	86.89%	74.94%	76.30%	80.14%
12.00	10.45	10.52	9.22	15.53	10.96	9.11
10.22	11.00	5.59	3.89	9.53	12.74	10.75
$ 54,186	$ 58,894	$ 59,611	$ 57,393	$ 60,372	$ 52,837	$ 58,069
70,786	76,011	72,873	67,663	83,497	69,775	73,345
50,054	55,444	42,135	44,314	51,126	43,861	40,676
554,280	708,773	699,786	652,750	911,369	545,313	687,901
59,303	63,080	64,270	62,713	66,526	55,505	62,591
74,036	77,887	75,682	71,098	89,064	71,024	76,294
52,339	56,870	44,004	46,597	54,623	44,679	42,299
429,057	519,131	528,281	1,063,327	387,208	303,994	618,658
345%	284%	353%	283%	328%	252%	373%
43.63%	43.43%	36.46%	38.97%	37.90%	38.15%	36.90%
96.32	100.38	229.21	412.82	65.67	52.94	74.47
$ 23,598	$ 25,750	$ 20,083	$ 22,255	$ 22,159	$ 19,400	$ 20,545
21,758	23,709	18,404	20,789	19,880	16,540	17,986
24,976	26,175	31,853	25,490	31,207	28,912	32,517
40,020	44,875	42,229	40,027	29,603	29,405	30,163
$ 19,192	$ 20,837	$ 15,476	$ 17,628	$ 16,481	$ 15,613	$ 15,282
18,525	19,976	15,056	17,002	16,238	13,877	14,454
14,017	15,272	10,459	11,720	13,051	14,465	14,649
33,062	35,636	28,132	36,840	21,025	27,079	23,436
39,309	45,587	46,163	35,967	50,476	50,552	47,288
28,523	30,996	20,005	17,580	20,734	35,885	29,196
43,573	46,579	50,095	42,932	57,206	59,531	54,818
47,354	60,876	34,003	22,148	31,646	39,271	33,346
55.0	62.5	45.3	49.2	53.6	62.5	37.7
28.76%	32.66%	22.63%	21.26%	24.92%	28.39%	20.07%
$ 21,695	$ 25,862	$ 16,160	$ 15,162	$ 23,122	$ 19,861	$ 15,612
8.53%	12.93%	8.64%	12.10%	6.58%	12.19%	5.30%
$ 4,916	$ 7,652	$ 4,822	$ 6,558	$ 3,744	$ 6,302	$ 3,209

ALL PRINTERS BY PRODUCT SPECIALTY

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.46	$ 5.49	$ 1.29	$ 3.53	$ 2.47	$ 3.65
Receivables	14.79	14.38	14.67	13.38	15.19	11.68
Inventories	6.64	5.57	9.35	9.56	7.18	6.02
Marketable securities	1.00	2.17	0.32	1.29	2.17	3.81
Other current assets	1.37	1.45	0.97	2.01	1.06	0.97
	27.26	29.06	26.60	29.77	28.07	26.13
Plant Investment:						
Land and building	5.66	5.14	7.05	7.98	10.94	9.91
Machinery and equipment	30.13	30.30	32.76	36.63	31.51	32.33
Other fixed assets	3.34	3.22	2.17	2.06	1.82	2.34
	39.13	38.66	41.98	46.67	44.27	44.58
Non-Current Assets	2.15	2.40	2.46	2.66	2.48	2.70
TOTAL INVESTMENT	68.54	70.12	71.04	79.10	74.82	73.41
INVESTMENT TURNOVER PER $100 OF SALES	145.90%	142.61%	140.77%	126.42%	133.65%	136.22%
EARNINGS						
Cost of Product	$75.51	$70.82	$82.45	$78.13	$84.55	$79.60
Selling Expenses	7.99	7.10	5.38	3.56	1.92	2.60
Administrative Expenses	10.42	9.87	7.57	6.05	8.34	8.48
	93.92	87.79	95.40	87.74	94.81	90.68
Income Before Interest, Other Income (Expense) and Taxes	6.08	12.21	4.60	12.26	5.19	9.32
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.87%	17.41%	6.48%	15.50%	6.94%	12.70%

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		TAG AND LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 3.88	$ 6.23	$ 4.94	$ 7.80	$ 3.54	$ 4.04	$ 2.68
14.54	16.52	11.99	13.19	14.46	16.84	10.20
13.18	15.86	10.11	11.16	11.32	11.38	11.34
0.64	0.45	1.67	3.75	2.60	7.15	2.44
0.67	0.86	0.97	0.09	1.32	1.59	1.12
32.91	39.92	29.68	35.99	33.24	41.00	27.78
5.34	4.98	6.86	8.61	10.63	21.02	7.31
28.12	25.50	25.45	25.21	31.24	32.54	30.10
2.30	3.24	3.39	0.80	1.94	1.33	3.27
35.76	33.72	35.70	34.62	43.81	54.89	40.68
3.98	5.90	1.82	1.31	3.45	0.98	1.29
72.65	79.54	67.20	71.92	80.50	96.87	69.75
137.65%	125.72%	148.81%	139.04%	124.22%	103.23%	143.37%
$71.24	$67.34	$77.37	$78.74	$75.08	$71.61	$79.93
9.13	9.64	5.24	4.10	7.08	8.60	7.56
9.41	8.57	8.10	6.19	10.41	8.38	7.18
89.78	85.55	90.71	89.03	92.57	88.59	94.67
10.22	14.45	9.29	10.97	7.43	11.41	5.33
14.07%	18.17%	13.82%	15.25%	9.23%	11.78%	7.64%

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL PRINTING FIRMS	1,071	$ 2,285,000	$ 4,394,000	$ 273,000
TOTAL - PROFIT LEADERS*	290	2,882,000	5,359,000	623,000
ALL PRINTERS BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	816	1,628,000	3,198,000	183,000
Magazine and Periodical	50	8,296,000	16,318,000	990,000
Newspaper	12	3,473,000	5,496,000	292,000
Financial	11	9,149,000	13,311,000	1,510,000
Catalog and Directory	9	5,274,000	9,806,000	824,000
Tag and Label	20	3,566,000	5,071,000	272,000
Packaging	7	2,414,000	5,260,000	341,000
Book	44	3,782,000	7,213,000	415,000
Business Forms Manufacturers	35	3,009,000	6,696,000	583,000
Other	32	259,000	628,000	57,000
No Predominant Product	35	4,169,000	7,731,000	516,000
PROFIT LEADERS				
Commercial and Advertising	207	1,890,000	3,597,000	419,000
Magazine and Periodical	11	11,565,000	20,813,000	2,361,000
Newspaper	5	2,838,000	5,308,000	484,000
Financial	6	14,659,000	20,215,000	2,582,000
Catalog and Directory	4	6,063,000	10,781,000	1,237,000
Tag and Label	7	3,015,000	4,136,000	466,000
Packaging	1	3,994,000	9,733,000	961,000
Book	9	5,118,000	8,758,000	1,059,000
Business Forms Manufacturers	16	4,201,000	9,973,000	1,167,000
Other	15	297,000	739,000	102,000
No Predominant Product	9	5,355,000	11,281,000	1,235,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See Page 3 for explanatory note.

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 N. Lynn Street
Arlington, VA 22209
(703) 841-8136

58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
All Printers by Geographic Region

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS for all printers by geographic region who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of printing firms by geographic area - for example, New England and Up-State New York, Metropolitan New York and New Jersey, etc.

Thus, the user of the report can direct himself to the standards for his geographic region in the Report on Operations based on Value Added and its Supporting Schedules, the Report on Operations based on Sales and its Supporting Schedules, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 1,071 printing firms. This is in comparison to 936 printing firms in 1980 and represents a 14% increase in the number of participating firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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TABLE OF CONTENTS

Page Number

FOREWORD.. 2

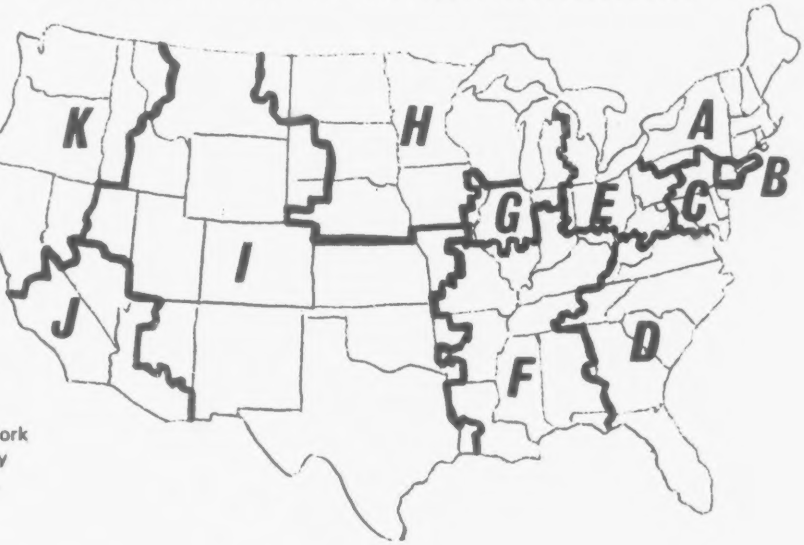
VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFITS.. 4- 5

ALL PRINTERS BY GEOGRAPHIC REGION.................................... 6-19

- New England and Up-State New York
- Metropolitan New York and New Jersey
- Eastern Penna., Maryland and D.C.
- Southeast Atlantic
- East North Central
- South Central
- Chicago Area
- West North Central
- Plains and Mountain States
- Pacific Southwest
- Pacific Northwest
- Canada

Report on Operations - Value Added = 100%.......................... 6- 7
Supporting Schedules - Value Added = 100%.......................... 8- 9
Report on Operations - Sales = 100%................................ 10-11
Supporting Schedules - Sales = 100%................................ 10-13
Balance Sheet.. 14-15
Significant Facts.. 16-17
Return on Investment - Per $100 of Sales........................... 18-19

ABSOLUTE DATA... 20



CONSOLIDATED REGIONS

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

Value Added - What Is It?

In printing, Value Added is simply your sales less material costs. It is the technical term for sales of your own manufacture and is also referred to as Inside Sales.

Ignoring the Value Added concept produces a poor profit. Of course, there can be several reasons for poor operating performance. In many cases, though, at least one of the answers can be found in a basic fact of accounting:

"Profit is achieved from Sales of your own manufacture."

Value Added and Profit

Too often, printers look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

For example, consider the following two possible results of a printing operation for a given month:

	FIRM A	FIRM B
Sales	$100,000	$ 90,000
Materials	35,000	15,000
Inside Sales	$ 65,000	$ 75,000

As shown above, sales of $100,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 a month that provide $75,000 of Inside Sales. The latter yields $10,000 more to cover overhead. Clearly, the sales figures in the statement are misleading; Value Added gives a truer picture of profit.

Note that the deficiency is not in sales; Firm A has more sales per month. It is the Value Added that is short. Management must understand that "Inside Sales" pay the rent, insurance, and administrative expenses - and make a profit.

Put another way: If you sell a press for $50 an hour, you recover the full $50 with which to pay overhead. But if you sell materials for $50 plus a 20% mark-up, you are left with only $10 to pay overhead. Obviously the press is the "better sale." There is nothing wrong in selling materials at $10 Value Added. The only thing wrong is to believe that the press and the materials are equally valuable sales; clearly they are not.

> "There are 'good sales' and 'better sales.' 'Better sales' are those with the higher dollar Value Added - all others are just 'good sales'."

PIA Value Added Ratios - A Truer Picture

It may be said that you are not similar to the average printer because of your product mix. If you compare your operation to the PIA ratios on the basis of sales, there will be distortion due to variations in materials. But your percentages of the base Value Added will exclude these variations, giving reliable data for evaluating your operations.

In keeping with the Value Added concept, management would be better informed if it prepared its Profit and Loss Statement on the basis of Inside Sales, as shown in the accompanying table. This type of presentation is more meaningful because it advises management to start its financial analysis with Value Added, rather than sales volume.

STATEMENT OF INCOME BASED ON VALUE ADDED

Sales or Value of Product	$ X	
Less: Paper, Other Chargeable Materials and Outside Services	X	
Value Added By Manufacture	X	100.00%*
Factory Payroll	X	38.66
Factory Expenses	X	17.47
Total Factory Cost of Product	X	56.13
Gross Profit	X	43.87
Administrative and Selling Expenses		
Administrative Expenses	X	14.22
Selling Expenses	X	10.64
Total Administrative and Selling Expenses	X	24.86
Income Before Interest Expense	X	19.01
Interest Expense	X	2.00
Operating Income	X	17.01
Other Income	X	1.28
Income Before Income Taxes	X	18.29%

* Source: Report on Operations (Profit Leaders)
1981 PIA Ratio Study, Sales Volume Study

ALL PRINTERS BY GEOGRAPHIC REGION

REPORT ON OPERATIONS - VALUE ADDED = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.08	43.32	45.03
FACTORY EXPENSES	19.35	20.64	18.87
TOTAL FACTORY COST OF PRODUCT	64.43	63.96	63.90
GROSS PROFIT	35.57	36.04	36.10
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	15.80	15.49	16.14
Selling expenses	11.66	11.86	10.81
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.46	27.35	26.95
INCOME BEFORE INTEREST EXPENSE	8.11	8.69	9.15
Interest expense	2.86	2.59	2.16
OPERATING INCOME	5.25	6.10	6.99
Other income	1.39	1.54	0.58
INCOME BEFORE INCOME TAXES	6.64	7.64	7.57

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
43.53	45.10	43.31	44.15	45.49	40.71	40.57	42.83	42.84
20.38	18.67	19.63	19.40	18.22	20.95	19.81	17.33	17.36
63.91	63.77	62.94	63.55	63.71	61.66	60.38	60.16	60.20
36.09	36.23	37.06	36.45	36.29	38.34	39.62	39.84	39.80
16.20	14.15	15.75	14.50	15.36	16.47	17.78	16.44	15.11
10.66	11.89	12.69	12.72	11.96	11.96	13.35	12.66	12.43
26.86	26.04	28.44	27.22	27.32	28.43	31.13	29.10	27.54
9.23	10.19	8.62	9.23	8.97	9.91	8.49	10.74	12.26
2.52	3.35	2.63	2.24	3.19	2.82	1.89	2.88	3.44
6.71	6.84	5.99	6.99	5.78	7.09	6.60	7.86	8.82
1.17	0.99	1.36	1.06	0.79	1.50	0.33	1.10	1.04
7.88	7.83	7.35	8.05	6.57	8.59	6.93	8.96	9.86

ALL PRINTERS BY GEOGRAPHIC REGION

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
FACTORY PAYROLL			
Salaries - executive	2.97%	2.56%	3.07%
Direct wages	29.87	29.63	29.83
General factory salaries and wages	4.57	2.97	3.68
Packing, shipping and delivery wages	1.30	1.88	1.63
Payroll taxes	3.22	2.61	3.03
Employee benefits	3.15	3.67	3.79
TOTAL FACTORY PAYROLL	45.08	43.32	45.03
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.34	0.25	0.39
Depreciation - other	4.18	6.05	3.78
Taxes - real estate	0.34	0.40	0.27
Taxes - other	0.24	0.07	0.15
Insurance	1.11	1.46	1.06
Building rent	2.29	2.35	2.20
Utilities - heat, light, etc.	2.20	2.33	1.99
Equipment rental	0.60	0.19	0.83
Total Fixed Expenses	11.30	13.10	10.67
Other Expenses			
Factory supplies and expense	3.08	3.46	3.16
Packing, shipping and delivery expense	1.68	1.10	1.83
Repairs and maintenance	2.05	2.02	1.84
Other factory expenses	1.24	0.96	1.37
Total Other Expenses	8.05	7.54	8.20
TOTAL FACTORY EXPENSES	19.35	20.64	18.87
ADMINISTRATIVE EXPENSES			
Salaries - executive	5.17	5.12	4.81
Salaries - office	3.91	3.27	4.21
Payroll taxes	0.63	0.53	0.65
Employee benefits	0.92	1.39	1.23
Bad debts	0.54	0.17	0.38
Office supplies and expenses	0.84	0.68	0.76
Professional fees	0.69	0.88	1.05
Taxes - business	0.20	0.38	0.22
Telephone	0.83	0.76	0.85
Other administrative expenses	2.07	2.31	1.98
TOTAL ADMINISTRATIVE EXPENSES	15.80	15.49	16.14
SELLING EXPENSES			
Salaries - executive	1.78	1.93	2.21
Salaries and commissions - salesmen	4.74	4.67	4.15
Salaries - sales office clerical	0.86	0.78	0.78
Payroll taxes	0.44	0.35	0.37
Employee benefits	0.49	0.35	0.52
Advertising	0.70	0.70	0.58
Travel and entertainment	1.82	1.65	1.21
Other selling expenses	0.83	1.43	0.99
TOTAL SELLING EXPENSES	11.66	11.86	10.81

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
3.14%	3.02%	3.03%	2.72%	2.55%	3.45%	3.96%	3.00%	3.19%
29.67	29.72	30.13	28.73	32.79	26.82	27.93	28.63	32.52
4.05	3.95	2.90	4.73	2.83	4.60	2.28	3.21	3.29
1.49	1.06	1.34	1.35	1.14	1.29	1.29	1.33	1.02
2.58	2.95	2.73	2.74	2.78	2.41	2.67	3.26	0.77
2.60	4.40	3.18	3.88	3.40	2.14	2.44	3.40	2.05
43.53	45.10	43.31	44.15	45.49	40.71	40.57	42.83	42.84
0.42	0.82	0.65	0.33	0.42	0.38	0.26	0.25	0.28
4.69	3.95	4.35	4.16	4.00	4.80	3.50	4.63	4.30
0.26	0.26	0.23	0.44	0.35	0.20	0.10	0.18	0.44
0.45	0.64	0.38	0.15	0.11	0.46	0.36	0.37	0.14
1.09	1.04	0.88	0.93	0.93	0.99	1.21	0.90	0.56
2.05	1.70	1.98	1.91	1.85	2.91	2.95	2.26	2.48
1.96	1.89	1.81	2.07	1.68	1.85	1.37	0.99	1.15
1.37	0.81	0.83	0.53	1.05	1.47	1.52	0.88	0.86
12.29	11.11	11.11	10.52	10.39	13.06	11.27	10.46	10.21
3.36	3.08	3.68	3.32	2.92	2.86	3.81	2.58	2.14
1.39	1.37	1.61	2.35	1.76	1.55	1.50	1.58	1.83
2.03	1.74	2.31	2.03	1.81	2.10	2.10	1.82	2.29
1.31	1.37	0.92	1.18	1.34	1.38	1.13	0.89	0.89
8.09	7.56	8.52	8.88	7.83	7.89	8.54	6.87	7.15
20.38	18.67	19.63	19.40	18.22	20.95	19.81	17.33	17.36
5.39	4.35	4.50	5.06	5.60	5.62	5.57	5.24	4.09
4.00	3.24	4.35	3.69	3.57	3.75	4.68	3.44	4.49
0.58	0.63	0.56	0.51	0.46	0.48	0.64	0.56	0.16
0.77	0.73	0.88	1.02	0.95	0.63	0.90	1.10	0.40
0.65	0.62	0.79	0.31	0.68	0.91	0.74	0.77	0.84
0.87	0.58	0.80	0.65	0.63	0.69	0.79	0.82	0.98
0.85	0.91	0.81	0.65	0.93	0.89	1.04	0.96	1.11
0.30	0.40	0.32	0.23	0.06	0.28	0.27	0.62	0.24
0.94	0.62	0.73	0.62	0.54	0.75	0.86	0.75	0.75
1.85	2.07	2.01	1.76	1.94	2.47	2.29	2.18	2.05
16.20	14.15	15.75	14.50	15.36	16.47	17.78	16.44	15.11
1.40	2.22	2.21	2.23	2.40	2.17	2.50	1.97	1.90
4.60	4.71	5.55	5.25	4.87	5.17	5.71	5.90	5.88
1.00	1.22	0.91	1.15	0.98	0.80	0.63	0.65	0.92
0.36	0.42	0.44	0.35	0.39	0.36	0.42	0.56	0.12
0.38	0.55	0.52	0.48	0.44	0.29	0.44	0.54	0.29
0.62	0.57	0.77	0.50	0.52	0.87	0.72	0.66	0.85
1.22	1.29	1.35	1.55	1.39	1.11	1.63	1.45	1.60
1.08	0.91	0.94	1.21	0.97	1.19	1.30	0.93	0.87
10.66	11.89	12.69	12.72	11.96	11.96	13.35	12.66	12.43

ALL PRINTERS BY GEOGRAPHIC REGION

REPORT ON OPERATIONS - SALES = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA. MARYLAND AND D.C.
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	22.76	19.59	22.94
Other chargeable materials	5.09	7.26	6.14
Outside services	7.21	11.41	8.41
TOTAL MATERIAL	35.06	38.26	37.49
FACTORY PAYROLL	29.28	26.98	28.05
FACTORY EXPENSES	12.48	12.59	11.67
TOTAL FACTORY COST OF PRODUCT	76.82	77.83	77.21
GROSS PROFIT	23.18	22.17	22.79
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	10.35	9.66	10.22
Selling expenses	7.55	7.25	6.78
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.90	16.91	17.00
INCOME BEFORE INTEREST EXPENSE	5.28	5.26	5.79
Interest expense	1.80	1.55	1.33
OPERATING INCOME	3.48	3.71	4.46
Other income	0.83	0.79	0.35
INCOME BEFORE INCOME TAXES	4.31	4.50	4.81

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.50%	1.98%	1.50%
Film	1.18	2.29	1.08
Plates	1.32	2.02	1.53
Other chargeable materials	1.09	0.97	2.03
TOTAL OTHER CHARGEABLE MATERIALS	5.09	7.26	6.14
OUTSIDE SERVICES			
Composition	0.77	0.55	1.29
Offset preparation	1.31	0.59	1.21
Printing	1.31	1.07	1.36
Binding	2.39	7.05	2.48
Other outside services	1.43	2.15	2.07
TOTAL OUTSIDE SERVICES	7.21	11.41	8.41

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
23.37	25.01	23.51	22.79	24.40	21.40	22.04	21.57	24.00
5.18	5.79	5.36	6.43	5.36	6.04	4.12	4.81	5.07
5.71	5.68	7.75	8.80	7.22	7.62	10.70	10.07	8.33
34.26	36.48	36.62	38.02	36.98	35.06	36.86	36.45	37.40
28.59	28.63	27.38	27.34	28.73	26.37	25.77	27.06	26.72
13.35	11.75	12.46	11.91	11.43	13.67	12.66	10.86	10.86
76.20	76.86	76.46	77.27	77.14	75.10	75.29	74.37	74.98
23.80	23.14	23.54	22.73	22.86	24.90	24.71	25.63	25.02
10.64	9.09	10.11	9.05	9.86	10.77	11.36	10.54	9.57
7.02	7.58	8.04	8.04	7.54	7.74	8.24	8.02	7.72
17.66	16.67	18.15	17.09	17.40	18.51	19.60	18.56	17.29
6.14	6.47	5.39	5.64	5.46	6.39	5.11	7.07	7.73
1.64	2.09	1.63	1.35	1.98	1.78	1.17	1.85	2.15
4.50	4.38	3.76	4.29	3.48	4.61	3.94	5.22	5.58
0.71	0.64	0.87	0.63	0.49	0.96	0.22	0.70	0.63
5.21	5.02	4.63	4.92	3.97	5.57	4.16	5.92	6.21

1.17%	1.23%	1.95%	2.28%	2.34%	1.43%	1.22%	1.23%	1.44%
1.53	1.54	1.02	0.99	0.82	1.43	0.88	1.05	1.21
1.22	1.57	1.30	1.47	1.27	1.28	0.86	0.95	1.27
1.26	1.45	1.09	1.69	0.93	1.90	1.16	1.58	1.15
5.18	5.79	5.36	6.43	5.36	6.04	4.12	4.81	5.07
0.62	0.42	0.81	0.69	0.51	1.03	0.81	1.48	1.29
1.23	0.92	1.89	1.75	2.24	1.18	1.43	1.34	1.70
1.60	0.24	1.56	2.88	1.47	2.34	5.97	2.92	2.08
0.83	1.97	1.98	1.92	1.73	1.59	1.15	2.41	1.95
1.43	2.13	1.51	1.56	1.27	1.48	1.34	1.92	1.31
5.71	5.68	7.75	8.80	7.22	7.62	10.70	10.07	8.33

ALL PRINTERS BY GEOGRAPHIC REGION

SUPPORTING SCHEDULES - SALES = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
FACTORY PAYROLL			
Salaries - executive	1.94%	1.59%	1.94%
Direct wages	19.32	18.60	18.57
General factory salaries and wages	3.05	1.81	2.30
Packing, shipping and delivery wages	0.83	1.12	1.00
Payroll taxes	2.09	1.64	1.89
Employee benefits	2.05	2.22	2.35
TOTAL FACTORY PAYROLL	29.28	26.98	28.05
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.22	0.14	0.25
Depreciation - other	2.69	3.62	2.35
Taxes - real estate	0.22	0.23	0.17
Taxes - other	0.15	0.05	0.09
Insurance	0.73	0.89	0.67
Building rent	1.49	1.49	1.39
Utilities - heat, light, etc.	1.42	1.45	1.21
Equipment rental	0.40	0.15	0.54
Total Fixed Expenses	7.32	8.02	6.66
Other Expenses			
Factory supplies and expense	1.99	2.12	1.95
Packing, shipping and delivery expense	1.06	0.66	1.11
Repairs and maintenance	1.30	1.24	1.13
Other factory expenses	0.81	0.55	0.82
Total Other Expenses	5.16	4.57	5.01
TOTAL FACTORY EXPENSES	12.48	12.59	11.67
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.45	3.17	3.12
Salaries - office	2.54	2.05	2.64
Payroll taxes	0.42	0.33	0.41
Employee benefits	0.60	0.83	0.78
Bad debts	0.34	0.10	0.23
Office supplies and expenses	0.54	0.43	0.47
Professional fees	0.45	0.53	0.66
Taxes - business	0.13	0.24	0.14
Telephone	0.54	0.47	0.52
Other administrative expenses	1.34	1.51	1.25
TOTAL ADMINISTRATIVE EXPENSES	10.35	9.66	10.22
SELLING EXPENSES			
Salaries - executive	1.14	1.14	1.39
Salaries and commissions - salesmen	3.06	2.84	2.60
Salaries - sales office clerical	0.54	0.50	0.49
Payroll taxes	0.29	0.21	0.23
Employee benefits	0.32	0.20	0.33
Advertising	0.48	0.42	0.37
Travel and entertainment	1.18	1.03	0.75
Other selling expenses	0.54	0.91	0.62
TOTAL SELLING EXPENSES	7.55	7.25	6.78

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
2.06%	1.94%	1.91%	1.66%	1.61%	2.31%	2.48%	1.95%	2.00%
19.39	18.86	19.10	17.88	20.71	17.29	17.74	18.06	20.28
2.72	2.49	1.80	2.88	1.80	2.99	1.49	2.00	2.07
0.96	0.65	0.86	0.84	0.73	0.83	0.82	0.86	0.63
1.70	1.87	1.73	1.70	1.77	1.55	1.69	2.06	0.48
1.76	2.82	1.98	2.38	2.11	1.40	1.55	2.13	1.26
28.59	28.63	27.38	27.34	28.73	26.37	25.77	27.06	26.72
0.27	0.54	0.39	0.22	0.27	0.24	0.17	0.16	0.18
3.02	2.46	2.75	2.51	2.49	3.12	2.23	2.96	2.69
0.17	0.16	0.14	0.27	0.21	0.13	0.06	0.12	0.27
0.29	0.40	0.24	0.10	0.06	0.30	0.22	0.23	0.09
0.70	0.67	0.57	0.58	0.60	0.63	0.78	0.58	0.35
1.35	1.06	1.29	1.18	1.19	1.92	1.87	1.45	1.58
1.27	1.18	1.15	1.28	1.03	1.19	0.87	0.63	0.72
0.97	0.53	0.56	0.34	0.68	1.00	0.97	0.54	0.57
8.04	7.01	7.09	6.48	6.53	8.53	7.17	6.67	6.45
2.19	1.93	2.34	2.05	1.81	1.84	2.47	1.60	1.32
0.89	0.85	1.04	1.43	1.12	0.99	0.96	0.92	1.14
1.33	1.09	1.45	1.24	1.10	1.37	1.32	1.15	1.40
0.90	0.87	0.54	0.71	0.87	0.94	0.74	0.52	0.55
5.31	4.74	5.37	5.43	4.90	5.14	5.49	4.19	4.41
13.35	11.75	12.46	11.91	11.43	13.67	12.66	10.86	10.86
3.53	2.80	2.88	3.13	3.57	3.72	3.57	3.39	2.60
2.63	2.08	2.81	2.31	2.29	2.44	3.01	2.20	2.88
0.38	0.41	0.36	0.32	0.30	0.31	0.40	0.35	0.10
0.51	0.47	0.55	0.65	0.59	0.42	0.57	0.69	0.25
0.42	0.40	0.52	0.19	0.44	0.58	0.45	0.49	0.53
0.56	0.37	0.51	0.41	0.41	0.45	0.50	0.53	0.63
0.57	0.60	0.53	0.41	0.61	0.58	0.69	0.60	0.70
0.19	0.25	0.21	0.14	0.04	0.18	0.17	0.41	0.15
0.62	0.39	0.47	0.38	0.35	0.49	0.54	0.48	0.47
1.23	1.32	1.27	1.11	1.26	1.60	1.46	1.40	1.26
10.64	9.09	10.11	9.05	9.86	10.77	11.36	10.54	9.57
0.92	1.49	1.42	1.42	1.55	1.41	1.52	1.28	1.19
2.97	2.92	3.46	3.29	3.06	3.31	3.56	3.67	3.62
0.70	0.78	0.59	0.74	0.60	0.53	0.38	0.42	0.57
0.24	0.27	0.28	0.23	0.25	0.23	0.26	0.36	0.08
0.26	0.37	0.32	0.31	0.27	0.18	0.27	0.34	0.18
0.42	0.39	0.52	0.32	0.34	0.58	0.46	0.43	0.54
0.79	0.79	0.86	0.96	0.88	0.72	1.00	0.93	0.99
0.72	0.57	0.59	0.77	0.59	0.78	0.79	0.59	0.55
7.02	7.58	8.04	8.04	7.54	7.74	8.24	8.02	7.72

ALL PRINTERS BY GEOGRAPHIC REGION

BALANCE SHEET

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
ASSETS			
CURRENT ASSETS			
Cash	6.96%	5.32%	8.26%
Receivables	30.16	31.23	31.98
Inventories	15.12	16.78	15.34
Other current assets	6.35	4.11	4.35
TOTAL CURRENT ASSETS	58.59	57.44	59.93
FIXED ASSETS			
Real estate	11.24	6.36	8.85
Less: Accumulated depreciation	4.29	1.04	2.79
	6.95	5.32	6.04
Machinery and equipment	63.32	72.02	62.16
Less: Accumulated depreciation	36.48	40.62	34.87
	26.84	31.40	27.29
Other fixed assets	8.20	7.53	6.06
Less: Accumulated depreciation	4.33	4.61	3.10
	3.87	2.92	2.96
NET FIXED ASSETS	37.66	39.64	36.29
OTHER ASSETS	3.75	2.92	3.78
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	8.18	9.20	8.19
Accounts payable	14.85	14.54	14.89
Other current liabilities	9.70	9.74	10.18
TOTAL CURRENT LIABILITIES	32.73	33.48	33.26
LONG-TERM LIABILITIES	25.17	19.89	19.62
TOTAL LIABILITIES	57.90	53.37	52.88
SHAREHOLDERS' AND PROPRIETORS' EQUITY	42.10	46.63	47.12
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.79	1.72	1.80
QUICK RATIO	1.33	1.21	1.34
TOTAL LIABILITIES TO EQUITY	1.38	1.14	1.12
LONG-TERM LIABILITIES TO EQUITY	0.60	0.43	0.42
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.58	0.56	0.56

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
8.68%	6.10%	7.56%	6.23%	6.06%	9.26%	8.21%	8.53%	3.09%
27.43	30.55	29.15	32.18	31.25	28.27	34.17	29.47	34.88
14.71	15.16	15.41	18.11	15.54	13.27	11.97	16.14	15.04
3.42	5.41	4.33	4.98	5.58	4.42	3.87	3.04	4.23
54.24	57.22	56.45	61.50	58.43	55.22	58.22	57.18	57.24
9.39	14.08	11.61	12.06	11.61	8.27	6.91	6.78	9.59
3.31	4.72	3.12	3.84	3.27	2.66	1.98	1.84	2.05
6.08	9.36	8.49	8.22	8.34	5.61	4.93	4.94	7.54
68.12	62.49	62.35	63.41	58.58	63.12	59.39	60.87	59.01
36.70	34.59	34.89	39.81	33.03	31.48	31.60	31.33	30.90
31.42	27.90	27.46	23.60	25.55	31.64	27.79	29.54	28.11
9.39	5.07	8.45	4.77	5.54	7.56	8.06	6.79	5.53
4.52	2.69	3.88	2.84	2.68	3.68	3.90	3.43	2.64
4.87	2.38	4.57	1.93	2.86	3.88	4.16	3.36	2.89
42.37	39.64	40.52	33.75	36.75	41.13	36.88	37.84	38.54
3.39	3.14	3.03	4.75	4.82	3.65	4.90	4.98	4.22
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
6.78	8.77	9.18	5.75	8.67	8.64	7.48	7.24	9.73
11.95	13.10	13.03	14.01	12.26	11.91	13.52	10.88	18.72
6.13	8.13	8.57	8.94	9.89	8.28	10.41	10.08	9.84
24.86	30.00	30.78	28.70	30.82	28.83	31.41	28.20	38.29
27.94	26.35	23.69	21.45	26.77	23.25	19.31	23.46	26.26
52.80	56.35	54.47	50.15	57.59	52.08	50.72	51.66	64.55
47.20	43.65	45.53	49.85	42.41	47.92	49.28	48.34	35.45
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2.18	1.91	1.83	2.14	1.90	1.92	1.85	2.03	1.49
1.59	1.40	1.33	1.51	1.39	1.46	1.47	1.46	1.10
1.12	1.29	1.20	1.01	1.36	1.09	1.03	1.07	1.82
0.59	0.60	0.52	0.43	0.63	0.49	0.39	0.49	0.74
0.54	0.55	0.56	0.63	0.56	0.50	0.53	0.51	0.52

ALL PRINTERS BY GEOGRAPHIC REGION

SIGNIFICANT FACTS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA. MARYLAND AND D.C.
INVESTMENT			
Average assets per employee - All employees	$ 22,746	$ 36,229	$ 25,001
Average assets per factory employee (Excluding Executives)	31,235	47,370	34,028
Average net worth per employee - All employees	9,335	17,600	12,040
Average gross plant investment per factory employee (Excluding Executives)	24,832	39,243	25,819
Net worth percentage of fixed assets	155.83%	130.16%	155.29%
EMPLOYEES			
Percent factory - All employees	77.00%	80.17%	77.61%
Percent administrative - All employees	13.72	12.09	14.07
Percent sales - All employees	9.28	7.74	8.32
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 47,115	$ 69,146	$ 55,149
Sales per factory employee	61,865	86,594	72,370
Sales less material per factory employee	39,405	51,167	44,093
Sales per administrative employee	420,496	640,561	538,982
EXCLUDING EXECUTIVES			
Sales per employee - All employees	51,808	75,272	61,396
Sales per factory employee	64,832	89,937	76,256
Sales less material per factory employee	41,308	53,083	46,511
SALES PER SALESMAN	512,293	773,814	751,413
SALES TO CURRENT ASSETS	394%	398%	433%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	41.63%	38.24%	40.02%
Factory payroll percentage of gross plant investment	91.83	79.88	92.55
Payroll per employee - All employees	$ 18,910	$ 24,613	$ 21,177
Payroll per factory employee	17,250	21,560	19,131
Payroll per administrative employee	23,828	32,956	26,174
Payroll per sales employee	27,280	41,757	32,108
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 14,683	$ 18,438	$ 16,059
Payroll per factory employee	14,350	17,666	15,554
Payroll per administrative employee	12,073	14,559	13,853
Payroll per sales employee	20,763	30,776	23,291
EXECUTIVE PAYROLL			
Payroll per executive - All executives	38,323	65,996	40,621
Payroll per factory executive	26,692	34,139	25,865
Payroll per administrative executive	42,646	71,853	43,985
Payroll per sales executive	27,109	43,919	32,734
RECEIVABLES			
Collection period	52.2	49.9	52.4
PROFIT			
Gross profit percentage of sales	23.18%	22.17%	22.79%
Average gross profit per factory employee	$ 15,283	$ 19,698	$ 17,725
Income before taxes percentage of sales	4.31%	4.50%	4.81%
Average income before taxes per employee	$ 2,192	$ 3,757	$ 2,795

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 20,526	$ 26,265	$ 25,908	$ 30,223	$ 28,355	$ 24,908	$ 23,953	$ 32,280	$ 28,749
28,078	37,510	35,854	41,204	38,400	36,281	36,889	49,689	42,967
9,269	11,778	12,129	15,787	11,440	12,385	11,538	14,660	10,731
23,543	30,646	28,200	31,928	27,752	28,547	26,093	35,691	30,899
133.07%	129.26%	133.68%	198.47%	202.89%	151.83%	169.08%	173.92%	145.47%
77.99%	77.92%	75.82%	76.84%	77.81%	73.38%	72.08%	71.81%	72.42%
13.65	11.43	14.03	13.03	12.30	16.29	17.57	15.66	15.81
8.36	10.65	10.15	10.13	9.89	10.33	10.35	12.53	11.77
$ 42,344	$ 53,009	$ 51,005	$ 65,200	$ 54,166	$ 50,804	$ 56,347	$ 60,483	$ 52,194
55,005	68,844	67,813	84,985	70,256	71,761	80,616	87,071	73,522
35,674	42,855	42,043	51,224	43,142	45,720	49,112	54,235	44,949
375,051	768,239	471,431	669,765	623,618	422,644	410,416	508,061	448,262
46,877	58,979	56,194	72,167	59,449	57,741	65,454	68,527	59,290
57,727	73,647	71,255	89,363	73,477	75,998	86,840	92,544	78,847
37,451	45,885	44,181	53,807	45,125	48,502	52,861	57,689	48,268
426,549	484,044	557,337	715,478	904,522	418,589	534,504	440,869	470,129
451%	385%	412%	404%	384%	425%	600%	402%	371%
40.72%	40.21%	40.04%	39.75%	41.21%	38.89%	39.31%	39.76%	38.18%
91.26	82.11	83.23	87.47	132.15	97.05	99.58	85.91	80.63
$ 16,664	$ 20,620	$ 19,699	$ 24,612	$ 21,360	$ 19,085	$ 21,082	$ 23,349	$ 18,989
14,920	18,936	17,650	22,007	19,222	18,156	18,856	21,878	18,391
21,267	26,108	24,259	31,216	29,169	21,935	23,608	25,043	18,741
23,909	28,804	31,390	38,853	33,147	27,192	31,332	26,256	23,740
$ 13,190	$ 16,062	$ 15,430	$ 19,003	$ 16,565	$ 15,351	$ 16,679	$ 17,947	$ 16,853
12,593	15,599	14,648	18,193	16,209	15,543	15,744	17,832	16,765
10,839	12,697	12,815	14,729	12,738	11,347	13,409	12,346	12,935
19,198	21,013	24,988	31,361	21,722	21,214	22,062	18,934	20,914
30,791	35,687	38,034	50,022	41,911	33,926	33,021	37,722	27,339
20,775	20,159	25,686	29,015	20,129	21,976	20,946	24,448	22,937
35,925	42,172	45,887	60,951	52,044	37,855	34,981	41,084	28,775
19,872	33,624	36,386	38,084	36,053	27,826	28,127	25,836	21,631
46.1	54.9	50.0	52.3	57.0	49.6	50.6	53.3	67.2
23.79%	23.14%	23.54%	22.73%	22.86%	24.90%	24.71%	25.63%	25.02%
$ 14,295	$ 16,965	$ 16,953	$ 20,177	$ 16,815	$ 18,809	$ 22,213	$ 24,651	$ 20,372
5.21%	5.02%	4.63%	4.92%	3.97%	5.57%	4.16%	5.92%	6.21%
$ 2,346	$ 2,808	$ 2,583	$ 3,494	$ 2,377	$ 2,945	$ 2,852	$ 3,675	$ 3,733

ALL PRINTERS BY GEOGRAPHIC REGION

RETURN ON INVESTMENT - PER $100 OF SALES

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
INVESTMENT			
Current Assets:			
Cash	$ 3.19	$ 2.86	$ 3.58
Receivables	14.07	13.46	14.06
Inventories	7.08	7.60	6.67
Marketable securities	1.93	0.14	1.06
Other current assets	1.63	1.82	1.01
	27.90	25.88	26.38
Plant Investment:			
Land and building	5.96	5.25	4.89
Machinery and equipment	30.29	34.30	27.25
Other fixed assets	3.72	3.38	2.57
	39.97	42.93	34.71
Non-Current Assets	2.01	1.49	1.85
TOTAL INVESTMENT	69.88	70.30	62.94
INVESTMENT TURNOVER PER $100 OF SALES	143.10%	142.25%	158.88%
EARNINGS			
Cost of Product	$76.82	$77.83	$77.21
Selling Expenses	7.55	7.25	6.78
Administrative Expenses	10.35	9.66	10.22
	94.72	94.74	94.21
Income Before Interest, Other Income, and Taxes	5.28	5.26	5.79
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.56%	7.48%	9.20%

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 4.27	$ 2.99	$ 3.55	$ 2.84	$ 2.75	$ 4.64	$ 3.17	$ 4.56	$ 1.95
12.35	14.60	13.49	14.07	15.33	13.18	13.38	14.04	17.90
6.79	7.73	7.46	8.90	7.88	6.44	5.02	7.75	7.97
0.65	0.65	1.07	1.11	1.66	1.01	0.31	0.22	0.93
1.01	2.54	1.25	1.18	1.23	1.01	1.38	1.25	1.35
25.07	28.51	26.82	28.10	28.85	26.28	23.26	27.82	30.10
5.31	8.82	6.56	7.33	6.61	5.20	4.53	4.90	6.68
32.18	30.56	30.35	27.26	28.88	31.64	23.85	30.49	31.67
4.31	2.88	3.92	2.35	2.64	3.57	3.06	3.27	2.82
41.80	42.26	40.83	36.94	38.13	40.41	31.44	38.66	41.17
1.68	1.83	1.57	2.46	2.95	2.36	2.60	3.20	2.31
68.55	72.60	69.22	67.50	69.93	69.05	57.30	69.68	73.58
145.88%	137.74%	144.47%	148.15%	143.00%	144.82%	174.52%	143.51%	135.91%
$76.20	$76.86	$76.46	$77.27	$77.14	$75.10	$75.29	$74.37	$74.98
7.02	7.58	8.04	8.04	7.54	7.74	8.24	8.02	7.72
10.64	9.09	10.11	9.05	9.86	10.77	11.36	10.54	9.57
93.86	93.53	94.61	94.36	94.54	93.61	94.89	92.93	92.27
6.14	6.47	5.39	5.64	5.46	6.39	5.11	7.07	7.73
8.96%	8.91%	7.79%	8.36%	7.81%	9.25%	8.92%	10.15%	10.51%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL PRINTING FIRMS	1,071	$2,285,000	$4,394,000	$273,000
ALL PRINTERS BY GEOGRAPHIC REGION				
New England and Up-State New York	105	1,727,000	3,525,000	181,000
Metropolitan New York and New Jersey	14	3,705,000	7,267,000	353,000
Eastern Penna., Maryland and D.C.	90	2,962,000	6,200,000	314,000
Southeast Atlantic	102	1,343,000	2,975,000	166,000
East North Central	41	2,064,000	4,201,000	240,000
South Central	97	2,331,000	4,231,000	222,000
Chicago Area	67	3,980,000	7,940,000	586,000
West North Central	79	3,564,000	5,939,000	337,000
Plains and Mountain States	116	1,544,000	2,925,000	156,000
Pacific Southwest	79	3,190,000	6,033,000	479,000
Pacific Northwest	72	1,676,000	3,157,000	125,000
Canada	209	1,912,000	3,570,000	295,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratios Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

** Unlike the ratios shown in this book, these figures are arithmetic averages.

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

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58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
Sheetfed Printers

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CERTIFIED PUBLIC ACCOUNTANTS

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PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR SHEETFED PRINTERS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of printing firms by size categories - for example, sales from 0-$250,000, from $250,000-$500,000, etc.; and by geographic area - for example, New England and Up-State New York, Metropolitan New York and New Jersey, etc.

Thus, the user of the report can direct himself to the standards for his size firm and geographic area in the Report on Operations based on Value Added and its Supporting Schedules, Report on Operations based on Sales and its Supporting Schedules, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 847 printing firms. This is in comparison to 718 firms in 1980 and represents an 18% increase in the number of participating firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
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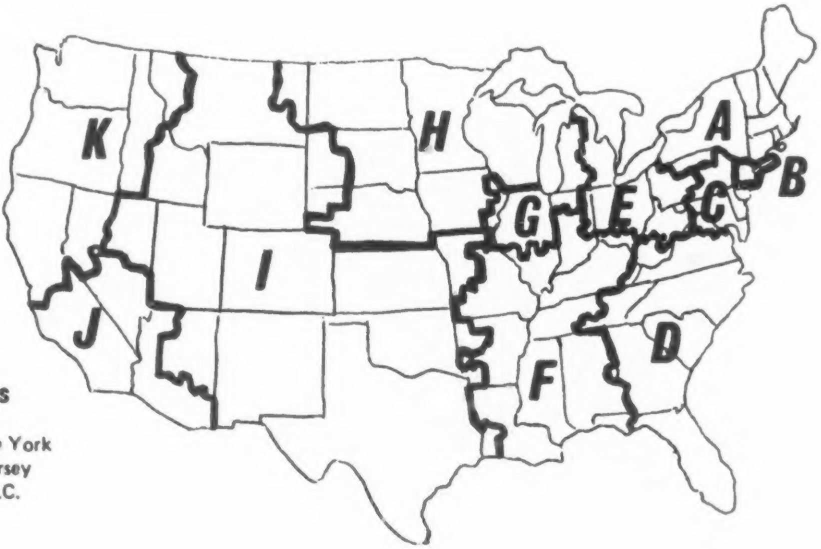
TABLE OF CONTENTS

Page Number

FOREWORD... 2
VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFITS...... 4- 5
CHAPTER 1 - BY SIZE OF FIRM.. 6-19
  Report on Operations - Value Added = 100%.............................. 6- 7
  Supporting Schedules - Value Added = 100% 8- 9
  Report on Operations - Sales = 100%.................................... 10-11
  Supporting Schedules - Sales = 100%.................................... 10-13
  Balance Sheet.. 14-15
  Significant Facts.. 16-17
  Return on Investment - Per $100 of Sales............................... 18-19
CHAPTER 2 - BY GEOGRAPHIC REGIONS.. 20-41
  Report on Operations - Value Added = 100%.............................. 20-21
  Supporting Schedules - Value Added = 100% 22-23
  Report on Operations - Value Added = 100%.............................. 24-25
  Supporting Schedules - Value Added = 100% 26-27
  Report on Operations - Sales = 100%.................................... 28-29
  Supporting Schedules - Sales = 100%.................................... 28-31
  Report on Operations - Sales = 100%.................................... 32-33
  Supporting Schedules - Sales = 100%.................................... 32-35
  Balance Sheet.. 36-37
  Significant Facts.. 38-39
  Return on Investment - Per $100 of Sales............................... 40-41

ABSOLUTE DATA.. 42-43



CONSOLIDATED REGIONS

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

Value Added - What Is It?

In printing, Value Added is simply your sales less material costs. It is the technical term for sales of your own manufacture and is also referred to as Inside Sales.

Ignoring the Value Added concept produces a poor profit. Of course, there can be several reasons for poor operating performance. In many cases, though, at least one of the answers can be found in a basic fact of accounting:

> "Profit is achieved from Sales of your own manufacture."

Value Added and Profit

Too often, printers look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

For example, consider the following two possible results of a printing operation for a given month:

	FIRM A	FIRM B
Sales	$100,000	$ 90,000
Materials	35,000	15,000
Inside Sales	$ 65,000	$ 75,000

As shown above, sales of $100,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 a month that provide $75,000 of Inside Sales. The latter yields $10,000 more to cover overhead. Clearly, the sales figures in the statement are misleading; Value Added gives a truer picture of profit.

Note that the deficiency is not in sales; Firm A has more sales per month. It is the Value Added that is short. Management must understand that "Inside Sales" pay the rent, insurance, and administrative expenses - and make a profit.

Put another way· If you sell a press for $50 an hour, you recover the full $50 with which to pay overhead. But if you sell materials for $50 plus a 20% mark-up, you are left with only $10 to pay overhead. Obviously the press is the "better sale." There is nothing wrong in selling materials at $10 Value Added. The only thing wrong is to believe that the press and the materials are equally valuable sales; clearly they are not.

> "There are 'good sales' and 'better sales.' 'Better sales' are those with the higher dollar Value Added - all others are just 'good sales'."

PIA Value Added Ratios - A Truer Picture

It may be said that you are not similar to the average printer because of your product mix. If you compare your operation to the PIA ratios on the basis of sales, there will be distortion due to variations in materials. But your percentages of the base Value Added will exclude these variations, giving reliable data for evaluating your operations.

In keeping with the Value Added concept, management would be better informed if it prepared its Profit and Loss Statement on the basis of Inside Sales, as shown in the accompanying table. This type of presentation is more meaningful because it advises management to start its financial analysis with Value Added, rather than sales volume.

STATEMENT OF INCOME BASED ON VALUE ADDED

Sales or Value of Product	$ X	
Less: Paper, Other Chargeable Materials and Outside Services	X	
Value Added By Manufacture	X	100.00%*
Factory Payroll	X	38.66
Factory Expenses	X	17.47
Total Factory Cost of Product	X	56.13
Gross Profit	X	43.87
Administrative and Selling Expenses		
Administrative Expenses	X	14.22
Selling Expenses	X	10.64
Total Administrative and Selling Expenses	X	24.86
Income Before Interest Expense	X	19.01
Interest Expense	X	2.00
Operating Income	X	17.01
Other Income	X	1.28
Income Before Income Taxes	X	18.29%

* Source: Report on Operations (Profit Leaders)
1981 PIA Ratio Study, Sales Volume Study

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.41	38.78	42.40	36.16	42.96	38.13
FACTORY EXPENSES	18.48	16.82	20.05	19.86	20.13	17.61
TOTAL FACTORY COST OF PRODUCT	61.89	55.60	62.45	56.02	63.09	55.74
GROSS PROFIT	38.11	44.40	37.55	43.98	36.91	44.26
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	16.33	14.80	21.02	17.45	20.36	18.56
Selling expenses	12.42	11.01	7.81	5.00	9.26	6.06
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.75	25.81	28.83	22.45	29.62	24.62
INCOME BEFORE INTEREST EXPENSE	9.36	18.59	8.72	21.53	7.29	19.64
Interest expense	2.83	2.08	3.76	3.71	2.90	2.10
OPERATING INCOME	6.53	16.51	4.96	17.82	4.39	17.54
Other income (expense)	1.00	1.29	2.24	0.71	0.70	0.87
INCOME BEFORE INCOME TAXES	7.53	17.80	7.20	18.53	5.09	18.41

* See Page 10 for the definition of "Profit Leaders".

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42.09	38.00	43.64	37.89	46.33	41.59	48.20	45.75
17.91	15.89	18.51	16.78	17.72	16.94	18.29	16.08
60.00	53.89	62.15	54.67	64.05	58.53	66.49	61.83
40.00	46.11	37.85	45.33	35.95	41.47	33.51	38.17
18.05	16.69	14.83	13.73	10.92	10.78	10.40	8.29
12.58	11.21	13.78	13.11	13.53	13.66	11.59	11.54
30.63	27.90	28.61	26.84	24.45	24.44	21.99	19.83
9.37	18.21	9.24	18.49	11.50	17.03	11.52	18.34
2.43	2.22	2.99	2.10	3.01	0.95	2.75	1.31
6.94	15.99	6.25	16.39	8.49	16.08	8.77	17.03
0.91	1.88	0.91	1.14	1.32	1.66	0.74	(0.28)
7.85	17.87	7.16	17.53	9.81	17.74	9.51	16.75

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	3.19%	2.89%	3.89%	3.21%	4.77%	4.06%
Direct wages	30.46	26.45	31.93	28.00	30.30	23.86
General factory salaries and wages	3.38	3.73	2.21	1.77	3.18	5.45
Packing, shipping and delivery wages	1.25	1.16	0.68	0.25	0.73	0.47
Payroll taxes	2.38	2.11	2.33	1.89	2.41	2.90
Employee benefits	2.75	2.44	1.36	1.04	1.57	1.39
TOTAL FACTORY PAYROLL	43.41	38.78	42.40	36.16	42.96	38.13
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.35	0.32	0.35	0.27	0.26	0.41
Depreciation - other	4.32	4.33	5.21	6.01	4.74	4.41
Taxes - real estate	0.29	0.24	0.27	0.10	0.33	0.20
Taxes - other	0.28	0.22	0.21	0.20	0.23	0.15
Insurance	0.97	0.90	1.25	1.35	1.46	1.58
Building rent	2.32	2.13	3.71	4.32	3.57	2.79
Utilities - heat, light, etc.	1.62	1.36	1.94	1.66	1.78	1.32
Equipment rental	0.83	0.62	1.34	1.42	1.43	0.24
Total Fixed Expenses	10.98	10.12	14.28	15.33	13.80	11.10
Other Expenses						
Factory supplies and expense	2.82	2.57	1.75	1.46	2.27	2.43
Packing, shipping and delivery expense	1.63	1.49	1.91	1.56	1.39	1.65
Repairs and maintenance	1.98	1.78	1.63	1.10	2.09	1.95
Other factory expenses	1.07	0.86	0.48	0.41	0.58	0.48
Total Other Expenses	7.50	6.70	5.77	4.53	6.33	6.51
TOTAL FACTORY EXPENSES	18.48	16.82	20.05	19.86	20.13	17.61
ADMINISTRATIVE EXPENSES						
Salaries - executive	5.18	5.10	7.68	7.16	7.59	7.48
Salaries - office	4.23	3.66	5.21	4.31	5.35	5.12
Payroll taxes	0.50	0.41	0.74	0.62	0.68	0.63
Employee benefits	0.80	0.66	0.59	0.30	0.61	0.68
Bad debts	0.72	0.56	0.81	0.59	1.01	0.48
Office supplies and expenses	0.84	0.75	0.87	0.76	0.88	0.87
Professional fees	0.94	0.87	1.35	0.77	1.26	0.92
Taxes - business	0.28	0.24	0.24	0.18	0.34	0.46
Telephone	0.76	0.66	1.28	1.07	1.05	0.78
Other administrative expenses	2.08	1.89	2.25	1.69	1.59	1.14
TOTAL ADMINISTRATIVE EXPENSES	16.33	14.80	21.02	17.45	20.36	18.56
SELLING EXPENSES						
Salaries - executive	2.22	2.16	1.55	1.35	2.64	1.68
Salaries and commissions - salesmen	5.41	4.86	2.25	1.17	2.66	1.42
Salaries - sales office clerical	0.84	0.65	0.19	0.04	0.67	0.41
Payroll taxes	0.37	0.30	0.14	0.06	0.26	0.17
Employee benefits	0.42	0.38	0.16	0.02	0.16	0.14
Advertising	0.70	0.66	1.12	1.13	0.95	0.91
Travel and entertainment	1.51	1.30	1.66	0.99	1.30	1.03
Other selling expenses	0.95	0.70	0.74	0.24	0.62	0.30
TOTAL SELLING EXPENSES	12.42	11.01	7.81	5.00	9.26	6.06

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.22%	3.06%	2.80%	2.78%	2.67%	2.06%	2.41%	1.93%
30.24	26.92	30.32	25.68	30.98	27.23	30.57	27.91
2.92	3.59	3.53	3.20	4.62	4.22	5.31	5.76
1.17	0.86	1.46	1.66	1.69	2.11	1.25	0.93
2.25	1.87	2.40	1.91	2.48	2.19	3.10	3.09
2.29	1.70	3.13	2.66	3.89	3.78	5.56	6.13
42.09	38.00	43.64	37.89	46.33	41.59	48.20	45.75
0.29	0.22	0.38	0.38	0.42	0.38	0.74	0.33
4.06	4.00	4.39	4.33	4.20	4.31	3.58	3.76
0.27	0.22	0.27	0.23	0.37	0.36	0.34	0.36
0.28	0.23	0.30	0.19	0.34	0.40	0.24	0.14
1.10	0.92	0.79	0.74	0.62	0.64	0.45	0.36
2.67	2.32	1.88	1.66	1.10	1.17	0.90	1.04
1.52	1.29	1.57	1.20	1.79	1.59	1.73	1.64
0.80	0.61	0.72	0.76	0.27	0.24	1.01	0.27
10.99	9.81	10.30	9.49	9.11	9.09	8.99	7.90
2.40	2.25	3.22	2.75	3.72	3.23	3.77	3.78
1.72	1.45	1.60	1.53	1.54	1.44	1.68	1.26
1.93	1.86	1.97	1.68	2.19	2.04	2.16	1.99
0.87	0.52	1.42	1.33	1.16	1.14	1.69	1.15
6.92	6.08	8.21	7.29	8.61	7.85	9.30	8.18
17.91	15.89	18.51	16.78	17.72	16.94	18.29	16.08
5.68	5.68	4.56	4.47	2.86	3.28	2.14	1.64
4.88	4.17	3.69	3.11	2.74	2.75	2.77	2.06
0.54	0.43	0.43	0.35	0.32	0.30	0.32	0.24
0.86	0.61	0.88	0.81	0.70	0.76	0.71	0.49
0.77	0.69	0.64	0.56	0.59	0.44	0.35	0.27
1.03	0.96	0.74	0.65	0.52	0.50	0.59	0.54
0.95	1.08	0.83	0.83	0.72	0.56	0.77	0.65
0.34	0.24	0.25	0.21	0.17	0.19	0.21	0.26
0.79	0.68	0.66	0.61	0.53	0.51	0.49	0.34
2.21	2.15	2.15	2.13	1.77	1.49	2.05	1.80
18.05	16.69	14.83	13.73	10.92	10.78	10.40	8.29
2.52	2.35	2.15	2.25	1.87	3.00	1.08	1.04
5.20	4.85	6.59	6.47	6.63	6.05	5.81	5.99
0.75	0.48	0.92	0.89	1.44	1.21	0.85	0.54
0.39	0.33	0.43	0.37	0.35	0.34	0.35	0.35
0.38	0.21	0.49	0.46	0.69	0.92	0.58	0.64
0.82	0.75	0.54	0.51	0.47	0.35	0.49	0.43
1.66	1.43	1.51	1.47	1.34	1.19	0.98	0.86
0.86	0.81	1.15	0.69	0.74	0.60	1.45	1.69
12.58	11.21	13.78	13.11	13.53	13.66	11.59	11.54

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIAL						
Paper	21.82	20.48	23.98	22.67	20.98	19.97
Other chargeable materials	5.16	4.91	3.51	2.54	5.14	3.54
Outside services	8.63	8.02	6.27	5.93	6.75	6.71
TOTAL MATERIAL	35.61	33.41	33.76	31.14	32.87	30.22
FACTORY PAYROLL	27.93	25.86	28.06	24.78	28.70	26.60
FACTORY EXPENSES	11.89	11.22	13.20	13.72	13.47	12.25
TOTAL FACTORY COST OF PRODUCT	75.43	70.49	75.02	69.64	75.04	69.07
GROSS PROFIT	24.57	29.51	24.98	30.36	24.96	30.93
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.56	9.92	13.90	12.15	13.69	12.95
Selling expenses	7.94	7.25	5.07	3.38	6.11	4.30
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.50	17.17	18.97	15.53	19.80	17.25
INCOME BEFORE INTEREST EXPENSE	6.07	12.34	6.01	14.83	5.16	13.68
Interest expense	1.80	1.40	2.50	2.58	1.96	1.48
OPERATING INCOME	4.27	10.94	3.51	12.25	3.20	12.20
Other income (expense)	0.63	0.83	1.44	0.49	0.49	0.64
INCOME BEFORE INCOME TAXES	4.90	11.77	4.95	12.74	3.69	12.84

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS						
Ink	1.29%	1.37%	0.71%	0.31%	0.93%	0.79%
Film	1.24	1.11	0.75	0.10	0.73	0.52
Plates	1.36	1.45	1.10	1.31	1.31	0.78
Other chargeable materials	1.27	0.98	0.95	0.82	2.17	1.45
TOTAL OTHER CHARGEABLE MATERIALS	5.16	4.91	3.51	2.54	5.14	3.54
OUTSIDE SERVICES						
Composition	1.05	0.91	1.37	0.72	0.65	1.08
Offset preparation	1.66	1.66	0.66	0.23	0.96	1.41
Printing	2.08	2.27	3.17	3.06	2.90	2.31
Binding	2.20	1.96	0.61	1.03	1.29	1.41
Other outside services	1.64	1.22	0.46	0.89	0.95	0.50
TOTAL OUTSIDE SERVICES	8.63	8.02	6.27	5.93	6.75	6.71

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
21.38	19.40	22.06	20.99	22.40	20.26	20.82	21.95
4.86	5.82	5.39	4.85	5.33	4.56	7.84	6.62
8.88	8.46	9.34	9.56	8.95	7.30	7.96	5.34
35.12	33.68	36.79	35.40	36.68	32.12	36.62	33.91
27.35	25.26	27.59	24.55	29.26	28.33	30.37	30.14
11.66	10.58	11.68	10.90	11.14	11.36	11.52	10.62
74.13	69.52	76.06	70.85	77.08	71.81	78.51	74.67
25.87	30.48	23.94	29.15	22.92	28.19	21.49	25.33
11.71	11.11	9.38	8.90	6.95	7.35	6.63	5.69
8.11	7.40	8.70	8.31	8.63	9.36	7.42	7.63
19.82	18.51	18.08	17.21	15.58	16.71	14.05	13.32
6.05	11.97	5.86	11.94	7.34	11.48	7.44	12.01
1.57	1.50	1.87	1.34	1.83	0.65	1.64	0.82
4.48	10.47	3.99	10.60	5.51	10.83	5.80	11.19
0.61	1.25	0.54	0.67	0.82	1.12	0.36	(0.33)
5.09	11.72	4.53	11.27	6.33	11.95	6.16	10.86

0.97%	1.30%	1.47%	1.56%	1.82%	1.52%	1.95%	2.09%
1.31	1.43	1.32	1.15	1.41	1.11	1.49	1.62
1.37	1.73	1.49	1.54	1.38	1.26	1.03	1.29
1.21	1.36	1.11	0.60	0.72	0.67	3.37	1.62
4.86	5.82	5.39	4.85	5.33	4.56	7.84	6.62
1.26	0.69	0.97	1.06	1.06	1.28	0.66	0.63
1.58	2.23	2.08	1.89	1.99	1.71	0.89	0.28
2.55	2.39	1.77	3.04	0.88	1.06	0.61	0.60
2.13	2.07	2.49	2.38	2.96	1.42	2.95	2.05
1.36	1.08	2.03	1.19	2.06	1.83	2.85	1.78
8.88	8.46	9.34	9.56	8.95	7.30	7.96	5.34

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	2.06%	1.93%	2.61%	2.17%	3.17%	2.88%
Direct wages	19.55	17.59	21.09	19.17	20.04	16.45
General factory salaries and wages	2.21	2.52	1.42	1.24	2.30	4.01
Packing, shipping and delivery wages	0.80	0.77	0.44	0.15	0.50	0.31
Payroll taxes	1.54	1.41	1.57	1.32	1.61	1.97
Employee benefits	1.77	1.64	0.93	0.73	1.08	0.98
TOTAL FACTORY PAYROLL	27.93	25.86	28.06	24.78	28.70	26.60
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.23	0.21	0.25	0.20	0.18	0.28
Depreciation - other	2.76	2.88	3.44	4.10	3.17	3.08
Taxes - real estate	0.19	0.16	0.18	0.08	0.23	0.14
Taxes - other	0.18	0.15	0.14	0.13	0.15	0.10
Insurance	0.62	0.60	0.81	0.91	0.98	1.09
Building rent	1.50	1.42	2.42	2.95	2.38	1.94
Utilities - heat, light, etc.	1.05	0.91	1.27	1.14	1.20	0.93
Equipment rental	0.54	0.43	0.89	0.97	0.93	0.17
Total Fixed Expenses	7.07	6.76	9.40	10.48	9.22	7.73
Other Expenses						
Factory supplies and expense	1.82	1.73	1.17	1.08	1.53	1.72
Packing, shipping and delivery expense	1.04	0.99	1.27	1.12	0.92	1.13
Repairs and maintenance	1.26	1.18	1.04	0.75	1.40	1.34
Other factory expenses	0.70	0.56	0.32	0.29	0.40	0.33
Total Other Expenses	4.82	4.46	3.80	3.24	4.25	4.52
TOTAL FACTORY EXPENSES	11.89	11.22	13.20	13.72	13.47	12.25
ADMINISTRATIVE EXPENSES						
Salaries - executive	3.36	3.43	5.09	5.05	5.12	5.19
Salaries - office	2.74	2.45	3.46	3.01	3.62	3.55
Payroll taxes	0.32	0.28	0.48	0.42	0.46	0.44
Employee benefits	0.52	0.44	0.39	0.21	0.41	0.48
Bad debts	0.46	0.37	0.54	0.42	0.66	0.33
Office supplies and expenses	0.54	0.51	0.58	0.51	0.59	0.61
Professional fees	0.61	0.58	0.89	0.52	0.84	0.65
Taxes - business	0.18	0.16	0.15	0.12	0.23	0.33
Telephone	0.49	0.44	0.84	0.75	0.70	0.55
Other administrative expenses	1.34	1.26	1.48	1.14	1.06	0.82
TOTAL ADMINISTRATIVE EXPENSES	10.56	9.92	13.90	12.15	13.69	12.95
SELLING EXPENSES						
Salaries - executive	1.42	1.42	1.05	0.94	1.73	1.20
Salaries and commissions - salesmen	3.45	3.17	1.42	0.74	1.73	0.98
Salaries - sales office clerical	0.54	0.43	0.12	0.03	0.46	0.32
Payroll taxes	0.24	0.20	0.09	0.04	0.17	0.12
Employee benefits	0.27	0.25	0.09	0.02	0.11	0.11
Advertising	0.46	0.45	0.74	0.76	0.63	0.64
Travel and entertainment	0.96	0.86	1.07	0.68	0.86	0.72
Other selling expenses	0.60	0.47	0.49	0.17	0.42	0.21
TOTAL SELLING EXPENSES	7.94	7.25	5.07	3.38	6.11	4.30

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.10%	2.03%	1.76%	1.79%	1.67%	1.39%	1.53%	1.27%
19.60	17.86	19.10	16.58	19.64	18.78	19.03	18.16
1.93	2.41	2.28	2.10	2.87	2.67	3.50	3.97
0.75	0.58	0.93	1.10	1.07	1.41	0.79	0.60
1.47	1.24	1.53	1.25	1.57	1.49	1.96	2.02
1.50	1.14	1.99	1.73	2.44	2.59	3.56	4.12
27.35	25.26	27.59	24.55	29.26	28.33	30.37	30.14
0.19	0.14	0.24	0.26	0.26	0.26	0.46	0.21
2.63	2.65	2.75	2.77	2.62	2.88	2.27	2.50
0.17	0.15	0.17	0.15	0.23	0.24	0.21	0.22
0.18	0.15	0.19	0.12	0.22	0.28	0.16	0.10
0.71	0.61	0.50	0.48	0.39	0.42	0.29	0.25
1.74	1.56	1.19	1.07	0.70	0.78	0.55	0.68
0.99	0.85	0.99	0.78	1.13	1.08	1.10	1.07
0.53	0.42	0.47	0.53	0.19	0.18	0.64	0.19
7.14	6.53	6.50	6.16	5.74	6.12	5.68	5.22
1.58	1.53	2.05	1.82	2.33	2.14	2.41	2.56
1.10	0.96	1.00	0.98	0.98	0.97	0.98	0.78
1.25	1.22	1.23	1.09	1.37	1.39	1.38	1.31
0.59	0.34	0.90	0.85	0.72	0.74	1.07	0.75
4.52	4.05	5.18	4.74	5.40	5.24	5.84	5.40
11.66	10.58	11.68	10.90	11.14	11.36	11.52	10.62
3.70	3.78	2.90	2.96	1.84	2.21	1.37	1.12
3.16	2.79	2.33	1.99	1.74	1.87	1.74	1.38
0.35	0.28	0.27	0.22	0.20	0.20	0.20	0.16
0.56	0.41	0.55	0.52	0.44	0.52	0.46	0.34
0.50	0.46	0.40	0.35	0.37	0.31	0.21	0.16
0.66	0.64	0.47	0.42	0.33	0.34	0.38	0.39
0.62	0.71	0.53	0.54	0.46	0.39	0.50	0.46
0.22	0.16	0.15	0.13	0.11	0.13	0.14	0.17
0.51	0.45	0.42	0.40	0.34	0.36	0.31	0.24
1.43	1.43	1.36	1.37	1.12	1.02	1.32	1.27
11.71	11.11	9.38	8.90	6.95	7.35	6.63	5.69
1.62	1.54	1.35	1.41	1.22	2.06	0.69	0.70
3.37	3.21	4.17	4.10	4.18	4.12	3.67	3.88
0.49	0.31	0.59	0.57	0.92	0.82	0.55	0.35
0.25	0.22	0.27	0.24	0.23	0.23	0.22	0.23
0.25	0.14	0.31	0.29	0.44	0.64	0.38	0.43
0.53	0.50	0.34	0.33	0.31	0.25	0.33	0.31
1.05	0.93	0.95	0.94	0.86	0.83	0.64	0.61
0.55	0.55	0.72	0.43	0.47	0.41	0.94	1.12
8.11	7.40	8.70	8.31	8.63	9.36	7.42	7.63

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	7.12%	10.92%	7.03%	8.67%	7.86%	15.72%
Receivables	31.86	29.57	26.52	24.24	30.18	27.52
Inventories	14.05	11.19	9.86	6.42	11.97	9.56
Other current assets	4.46	6.03	4.13	6.13	3.61	1.59
TOTAL CURRENT ASSETS	57.49	57.71	47.54	45.46	53.62	54.39
FIXED ASSETS						
Real estate	9.64	8.72	8.86	7.19	9.88	9.34
Less: Accumulated depreciation	2.89	2.33	2.55	1.73	2.59	1.57
	6.75	6.39	6.31	5.46	7.29	7.77
Machinery and equipment	63.15	57.34	65.78	62.94	72.17	67.40
Less: Accumulated depreciation	34.79	28.75	31.47	23.15	39.26	35.12
	28.36	28.59	34.31	39.79	32.91	32.28
Other fixed assets	7.16	6.52	10.02	8.99	7.42	6.83
Less: Accumulated depreciation	3.65	3.36	4.25	5.56	4.04	3.58
	3.51	3.16	5.77	3.43	3.38	3.25
NET FIXED ASSETS	38.62	38.14	46.39	48.68	43.58	43.30
OTHER ASSETS	3.89	4.15	6.07	5.86	2.80	2.31
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	8.54	5.50	12.02	9.44	9.78	5.25
Accounts payable	14.32	10.82	13.85	10.91	16.44	9.00
Other current liabilities	9.26	9.39	6.49	6.84	6.22	5.78
TOTAL CURRENT LIABILITIES	32.12	25.71	32.36	27.19	32.44	20.03
LONG-TERM LIABILITIES	24.51	20.67	34.11	35.91	27.81	18.96
TOTAL LIABILITIES	56.63	46.38	66.47	63.10	60.25	38.99
SHAREHOLDERS' AND PROPRIETORS' EQUITY	43.37	53.62	33.53	36.90	39.75	61.01
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.79	2.24	1.47	1.67	1.65	2.72
QUICK RATIO	1.35	1.81	1.16	1.44	1.28	2.24
TOTAL LIABILITIES TO EQUITY	1.31	0.86	1.98	1.71	1.52	0.64
LONG-TERM LIABILITIES TO EQUITY	0.57	0.39	1.02	0.97	0.70	0.31
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.50	0.48	0.37	0.54	0.52

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
8.16%	12.19%	6.61%	9.04%	6.10%	12.31%	3.47%	5.76%
33.25	30.41	32.11	31.26	31.36	28.02	31.65	31.34
12.73	8.96	15.24	12.12	17.48	15.69	18.37	18.62
5.20	6.82	4.42	7.96	3.51	4.16	3.60	3.89
59.34	58.38	58.38	60.38	58.45	60.18	57.09	59.61
7.76	8.02	10.08	8.31	12.99	11.05	14.17	10.69
2.45	2.33	3.15	2.36	3.58	2.79	3.86	3.38
5.31	5.69	6.93	5.95	9.41	8.26	10.31	7.31
64.78	56.91	61.42	57.01	57.48	51.88	51.25	48.05
37.41	28.11	33.38	30.06	31.70	28.95	26.38	23.34
27.37	28.80	28.04	26.95	25.78	22.93	24.87	24.71
8.14	7.03	6.51	6.07	5.21	5.17	4.11	4.64
4.10	3.07	3.45	3.42	2.66	2.73	2.00	2.40
4.04	3.96	3.06	2.65	2.55	2.44	2.11	2.24
36.72	38.45	38.03	35.55	37.74	33.63	37.29	34.26
3.94	3.17	3.59	4.07	3.81	6.19	5.62	6.13
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

7.89	5.40	8.56	5.46	7.28	3.03	8.33	5.97
14.74	11.22	13.97	11.42	13.51	9.72	11.20	10.98
8.19	7.05	11.00	11.95	10.49	12.35	11.92	13.19
30.82	23.67	33.53	28.83	31.28	25.10	31.45	30.14
23.92	22.89	24.10	21.28	20.23	8.81	20.03	11.75
54.74	46.56	57.63	50.11	51.51	33.91	51.48	41.89
45.26	53.44	42.37	49.89	48.49	66.09	48.52	58.11
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

1.93	2.47	1.74	2.09	1.87	2.40	1.82	1.98
1.51	2.09	1.29	1.67	1.31	1.77	1.23	1.36
1.21	0.87	1.36	1.00	1.06	0.51	1.06	0.72
0.53	0.43	0.57	0.43	0.42	0.13	0.41	0.20
0.58	0.49	0.54	0.53	0.55	0.56	0.51	0.49

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee - All employees	$ 25,266	$ 29,450	$ 21,019	$ 24,964	$ 18,904	$ 22,042
Average assets per factory employee (Excluding Executives)	36,933	43,032	36,923	44,231	31,215	34,595
Average net worth per employee - All employees	10,954	15,285	6,641	7,505	7,324	12,146
Average gross plant investment per factory employee (Excluding Executives)	28,471	30,733	31,815	36,802	26,090	27,797
Net worth percentage of fixed assets	156.95%	208.30%	121.53%	136.74%	111.12%	186.10%
EMPLOYEES						
Percent factory - All employees	74.02%	74.11%	69.08%	69.67%	68.96%	70.25%
Percent administrative - All employees	15.27	15.53	24.26	24.15	21.91	23.43
Percent sales - All employees	10.71	10.36	6.66	6.18	9.13	6.32
SALES - VALUE OF PRODUCT PRODUCED						
INCLUDING EXECUTIVES						
Sales per employee - All employees	$ 50,579	$ 53,983	$ 37,523	$ 37,105	$ 37,577	$ 42,555
Sales per factory employee	69,828	74,377	62,105	59,011	56,210	61,969
Sales less material per factory employee	44,176	48,684	40,084	40,535	37,484	43,074
Sales per administrative employee	434,658	464,298	192,775	197,295	195,718	199,042
EXCLUDING EXECUTIVES						
Sales per employee - All employees	57,093	61,407	47,855	50,824	46,040	52,179
Sales per factory employee	74,143	79,032	68,679	67,082	61,404	67,553
Sales less material per factory employee	46,909	51,731	44,414	45,927	40,965	47,117
SALES PER SALESMAN	415,684	428,507	114,500	48,000	138,059	102,600
SALES TO CURRENT ASSETS	419%	419%	479%	482%	592%	828%
PAYROLL - INCLUDING TAXES AND BENEFITS						
INCLUDING EXECUTIVES						
Total payroll percentage of sales	40.79%	37.93%	40.25%	35.25%	42.50%	38.99%
Factory payroll percentage of gross plant investment	93.17	90.07	90.82	101.77	82.35	80.28
Payroll per employee - All employees	$ 20,011	$ 19,964	$ 14,300	$ 12,584	$ 15,595	$ 16,133
Payroll per factory employee	18,527	18,245	15,704	12,839	15,320	15,745
Payroll per administrative employee	23,345	23,282	13,384	12,515	16,434	17,166
Payroll per sales employee	27,878	28,066	8,096	4,278	14,889	13,419
PAYROLL - EXCLUDING TAXES AND BENEFITS						
EXCLUDING EXECUTIVES						
Payroll per employee - All employees	$ 16,061	$ 15,926	$ 12,393	$ 11,564	$ 12,531	$ 12,711
Payroll per factory employee	15,797	15,511	14,176	11,784	13,164	13,225
Payroll per administrative employee	12,581	12,070	7,700	6,439	9,117	9,082
Payroll per sales employee	21,084	21,528	3,510	1,887	7,336	6,486
EXECUTIVE PAYROLL						
Payroll per executive - All executives	34,881	37,137	14,064	11,584	22,566	22,972
Payroll per factory executive	22,918	24,285	8,546	5,945	14,404	13,732
Payroll per administrative executive	38,880	40,569	12,427	10,039	22,402	23,669
Payroll per sales executive	27,384	30,639	5,338	3,299	10,879	8,407
RECEIVABLES						
Collection period	55.6	54.9	48.7	45.0	51.9	45.1
PROFIT						
Gross profit percentage of sales	24.57%	29.51%	24.98%	30.36%	24.96%	30.93%
Average gross profit per factory employee	$ 18,668	$ 23,723	$ 18,640	$ 22,543	$ 16,097	$ 21,577
Income before taxes percentage of sales	4.90%	11.77%	4.95%	12.74%	3.69%	12.84%
Average income before taxes per employee	$ 2,724	$ 6,407	$ 2,306	$ 4,954	$ 1,697	$ 5,773

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 22,498	$ 26,980	$ 27,457	$ 31,291	$ 32,447	$ 36,258	$ 34,977	$ 38,240
34,247	40,791	38,754	44,434	42,860	49,592	44,024	47,008
10,171	13,748	11,506	15,374	16,029	23,543	16,588	22,134
26,080	28,693	29,878	31,205	31,657	33,766	29,619	29,365
179.08%	241.05%	158.49%	197.38%	149.83%	227.84%	144.86%	187.25%
71.91%	72.42%	75.77%	75.05%	79.74%	77.19%	83.17%	84.57%
16.64	16.36	12.74	12.71	9.70	11.35	8.59	7.83
11.45	11.22	11.49	12.24	10.56	11.46	8.24	7.60
$ 46,906	$ 50,665	$ 55,407	$ 58,740	$ 62,805	$ 65,383	$ 63,254	$ 68,387
66,955	71,839	74,447	79,576	79,684	86,414	76,579	81,186
42,678	47,004	46,366	50,252	49,856	57,974	47,430	52,104
320,719	356,689	486,258	522,080	844,708	656,784	951,725	1,154,429
53,743	58,292	61,350	65,345	67,083	70,234	66,535	71,387
71,105	76,383	78,770	84,234	82,796	89,352	79,327	83,590
45,336	49,974	49,007	53,116	51,803	59,953	49,112	53,647
237,565	246,428	424,501	432,900	704,146	622,218	908,209	790,437
417%	387%	386%	355%	357%	323%	347%	321%
41.08%	37.93%	40.33%	36.85%	40.47%	41.01%	39.64%	38.72%
90.30	82.62	102.10	99.40	84.33	84.57	90.08	96.14
$ 18,591	$ 18,510	$ 21,871	$ 21,253	$ 24,810	$ 26,199	$ 24,278	$ 25,527
17,203	16,978	19,745	18,894	22,354	23,150	22,407	23,516
21,662	21,729	26,784	27,369	28,008	28,160	29,072	27,773
24,197	23,078	33,035	33,024	42,461	47,212	42,557	49,427
$ 14,974	$ 14,876	$ 17,420	$ 16,902	$ 19,818	$ 20,182	$ 19,002	$ 19,610
14,851	14,787	16,724	16,041	18,689	19,214	17,966	18,286
12,702	12,588	13,730	12,936	13,682	13,525	15,131	15,172
17,253	17,139	26,635	27,862	34,530	34,174	34,716	41,325
29,780	31,673	41,029	43,077	50,020	57,462	51,301	55,889
19,452	20,105	26,234	29,795	35,424	33,543	37,173	44,400
31,214	31,962	47,608	49,249	56,810	63,614	66,654	68,702
20,266	22,772	33,826	34,198	47,874	62,676	57,973	64,465
54.7	55.2	56.8	58.1	59.5	56.9	63.0	64.3
25.87%	30.48%	23.94%	29.15%	22.92%	28.19%	21.49%	25.33%
$ 18,925	$ 23,900	$ 19,179	$ 24,422	$ 19,368	$ 25,779	$ 16,967	$ 20,749
5.09%	11.72%	4.53%	11.27%	6.33%	11.95%	6.16%	10.86%
$ 2,655	$ 6,111	$ 2,649	$ 6,572	$ 4,101	$ 7,825	$ 3,972	$ 7,390

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.47	$ 5.67	$ 3.62	$ 3.94	$ 4.34	$ 7.89
Receivables	14.86	14.73	13.06	12.25	13.95	12.27
Inventories	6.87	5.82	5.46	3.61	5.95	4.83
Marketable securities	0.95	2.01	0.58	0.88	0.28	0.21
Other current assets	1.33	1.33	1.33	1.56	1.66	0.67
	27.48	29.56	24.05	22.24	26.18	25.87
Plant Investment:						
Land and building	6.01	5.40	8.89	7.09	6.19	5.67
Machinery and equipment	30.58	30.60	36.98	38.96	34.27	32.63
Other fixed assets	3.34	3.10	4.90	3.82	3.39	2.91
	39.93	39.10	50.77	49.87	43.85	41.21
Non-Current Assets	2.16	2.46	4.14	3.85	1.35	1.07
TOTAL INVESTMENT	69.57	71.12	78.96	75.96	71.38	68.15
INVESTMENT TURNOVER PER $100 OF SALES	143.74%	140.61%	126.65%	131.65%	140.10%	146.74%
EARNINGS						
Cost of Product	$75.43	$70.49	$75.02	$69.64	$75.04	$69.07
Selling Expenses	7.94	7.25	5.07	3.38	6.11	4.30
Administrative Expenses	10.56	9.92	13.90	12.15	13.69	12.95
	93.93	87.66	93.99	85.17	94.84	86.32
Income Before Interest, Other Income (Expense), and Taxes	6.07	12.34	6.01	14.83	5.16	13.68
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.73%	17.35%	7.61%	19.52%	7.23%	20.07%

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.82	$ 6.32	$ 3.12	$ 4.75	$ 3.26	$ 6.88	$ 1.76	$ 3.07
14.66	14.78	15.13	15.56	15.84	15.15	16.79	17.17
6.01	4.52	7.38	6.10	8.63	8.18	10.05	11.03
1.13	2.75	1.06	2.69	0.89	1.40	0.90	0.92
1.57	1.35	1.16	1.71	0.85	0.85	1.10	1.25
27.19	29.72	27.85	30.81	29.47	32.46	30.60	33.44
5.04	4.62	5.80	4.93	7.27	6.80	8.14	6.00
29.47	30.15	30.23	29.95	29.22	28.21	27.11	25.85
3.58	3.21	3.15	3.12	2.63	2.76	2.14	2.39
38.09	37.98	39.18	38.00	39.12	37.77	37.39	34.24
2.06	1.74	1.89	2.26	2.41	4.12	3.74	4.04
67.34	69.44	68.92	71.07	71.00	74.35	71.73	71.72
148.50%	144.01%	145.10%	140.71%	140.85%	134.50%	139.41%	139.43%
$74.13	$69.52	$76.06	$70.85	$77.08	$71.81	$78.51	$74.67
8.11	7.40	8.70	8.31	8.63	9.36	7.42	7.63
11.71	11.11	9.38	8.90	6.95	7.35	6.63	5.69
93.95	88.03	94.14	88.06	92.66	88.52	92.56	87.99
6.05	11.97	5.86	11.94	7.34	11.48	7.44	12.01
8.98%	17.24%	8.50%	16.80%	10.34%	15.44%	10.37%	16.75%

REPORT ON OPERATIONS - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	44.80	39.82	43.30	29.34
FACTORY EXPENSES	18.72	17.35	20.22	23.41
TOTAL FACTORY COST OF PRODUCT	63.52	57.17	63.52	52.75
GROSS PROFIT	36.48	42.83	36.48	47.25
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	16.18	18.18	16.34	9.40
Selling expenses	12.24	10.10	11.34	12.05
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.42	28.28	27.68	21.45
INCOME BEFORE INTEREST EXPENSE	8.06	14.55	8.80	25.80
Interest expense	2.60	2.26	2.45	3.04
OPERATING INCOME	5.46	12.29	6.35	22.76
Other income (expense)	1.21	2.27	1.14	0.34
INCOME BEFORE INCOME TAXES	6.67	14.56	7.49	23.10

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
44.53	41.88	43.34	38.06	45.26	42.64	43.03	37.90
18.19	17.04	19.67	17.14	17.96	16.23	18.69	17.45
62.72	58.92	63.01	55.20	63.22	58.87	61.72	55.35
37.28	41.08	36.99	44.80	36.78	41.13	38.28	44.65
16.09	11.80	17.33	16.06	13.92	11.42	16.28	16.44
12.30	10.97	11.37	9.86	12.78	12.83	13.53	9.25
28.39	22.77	28.70	25.92	26.70	24.25	29.81	25.69
8.89	18.31	8.29	18.88	10.08	16.88	8.47	18.96
2.17	2.31	2.77	2.00	3.41	2.24	2.76	1.66
6.72	16.00	5.52	16.88	6.67	14.64	5.71	17.30
0.52	0.19	1.57	0.47	1.06	1.39	1.06	0.81
7.24	16.19	7.09	17.35	7.73	16.03	6.77	18.11

SUPPORTING SCHEDULES - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.88%	2.11%	3.16%	4.32%
Direct wages	29.99	26.99	29.78	19.42
General factory salaries and wages	4.34	4.39	1.87	0.00
Packing, shipping and delivery wages	1.23	0.78	2.00	1.44
Payroll taxes	3.13	2.61	2.67	1.77
Employee benefits	3.23	2.94	3.82	2.39
TOTAL FACTORY PAYROLL	44.80	39.82	43.30	29.34
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.33	0.24	0.32	0.84
Depreciation - other	4.00	4.57	6.69	10.18
Taxes - real estate	0.34	0.29	0.41	0.59
Taxes - other	0.25	0.15	0.08	0.16
Insurance	1.13	0.94	1.48	1.73
Building rent	2.39	2.22	2.18	1.56
Utilities - heat, light, etc.	2.11	1.64	2.04	2.01
Equipment rental	0.66	0.25	0.23	0.02
Total Fixed Expenses	11.21	10.30	13.43	17.09
Other Expenses				
Factory supplies and expense	2.96	3.24	3.15	2.02
Packing, shipping and delivery expense	1.49	1.44	1.17	0.55
Repairs and maintenance	1.93	1.69	2.01	1.96
Other factory expenses	1.13	0.68	0.46	1.79
Total Other Expenses	7.51	7.05	6.79	6.32
TOTAL FACTORY EXPENSES	18.72	17.35	20.22	23.41
ADMINISTRATIVE EXPENSES				
Salaries - executive	5.43	7.06	5.39	3.90
Salaries - office	4.10	3.61	3.29	2.00
Payroll taxes	0.66	0.77	0.59	0.22
Employee benefits	0.93	0.91	1.52	0.37
Bad debts	0.51	0.51	0.14	(0.30)
Office supplies and expenses	0.83	0.52	0.76	0.39
Professional fees	0.70	0.82	0.94	1.00
Taxes - business	0.20	0.16	0.40	0.26
Telephone	0.80	0.77	0.78	0.74
Other administrative expenses	2.02	3.05	2.53	0.82
TOTAL ADMINISTRATIVE EXPENSES	16.18	18.18	16.34	9.40
SELLING EXPENSES				
Salaries - executive	2.01	2.00	1.88	3.60
Salaries and commissions - salesmen	5.07	4.25	4.80	3.33
Salaries - sales office clerical	0.76	0.59	0.81	0.00
Payroll taxes	0.47	0.41	0.38	0.39
Employee benefits	0.54	0.36	0.38	0.69
Advertising	0.71	0.47	0.71	2.31
Travel and entertainment	1.96	1.36	1.42	1.68
Other selling expenses	0.72	0.66	0.96	0.05
TOTAL SELLING EXPENSES	12.24	10.10	11.34	12.05

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.89%	2.47%	3.58%	3.38%	3.47%	2.52%	3.09%	4.20%
30.29	28.46	29.42	26.32	29.06	28.09	30.61	22.32
3.29	3.07	4.25	2.94	4.28	2.72	2.51	5.26
1.63	1.63	1.37	0.88	1.09	1.56	1.28	1.28
3.01	2.73	2.57	2.50	2.95	2.68	2.71	2.52
3.42	3.52	2.15	2.04	4.41	5.07	2.83	2.32
44.53	41.88	43.34	38.06	45.26	42.64	43.03	37.90
0.36	0.25	0.46	0.68	1.01	0.43	0.35	0.28
3.70	3.79	4.86	4.70	3.70	3.79	4.56	5.27
0.25	0.19	0.30	0.33	0.27	0.23	0.24	0.25
0.16	0.14	0.48	0.39	0.62	0.45	0.34	0.40
1.13	0.97	1.17	1.15	1.09	0.65	0.95	1.07
2.30	1.55	2.00	1.44	1.55	1.75	2.04	2.17
1.88	1.49	2.07	1.76	1.86	1.51	1.72	1.30
0.79	0.71	0.69	0.31	0.45	0.19	0.69	0.46
10.57	9.09	12.03	10.76	10.55	9.00	10.89	11.20
3.10	3.07	3.07	1.97	2.74	2.47	3.25	2.21
1.73	2.05	1.59	1.68	1.37	1.37	1.46	1.56
1.67	1.28	1.97	1.52	1.66	1.65	2.13	2.13
1.12	1.55	1.01	1.21	1.64	1.74	0.96	0.35
7.62	7.95	7.64	6.38	7.41	7.23	7.80	6.25
18.19	17.04	19.67	17.14	17.96	16.23	18.69	17.45
4.86	3.36	5.91	5.13	3.97	3.40	4.90	6.38
4.15	3.22	4.41	5.15	3.36	2.45	4.34	4.13
0.66	0.46	0.60	0.60	0.64	0.39	0.61	0.84
1.11	0.69	0.75	0.87	0.71	0.55	0.82	0.86
0.38	0.18	0.75	0.33	0.65	0.48	0.81	0.57
0.79	0.55	0.93	0.70	0.57	0.42	0.87	0.97
1.09	0.83	0.81	0.64	0.80	0.88	0.82	0.58
0.23	0.20	0.35	0.34	0.46	0.39	0.29	0.45
0.87	0.61	0.94	0.97	0.65	0.48	0.76	0.67
1.95	1.70	1.88	1.33	2.11	1.98	2.06	0.99
16.09	11.80	17.33	16.06	13.92	11.42	16.28	16.44
2.59	1.86	1.61	1.36	2.57	2.54	2.47	1.54
4.83	4.84	5.26	4.85	4.98	5.30	6.00	3.47
0.86	0.83	0.74	0.86	1.34	1.28	0.94	0.42
0.42	0.38	0.40	0.37	0.46	0.49	0.49	0.31
0.57	0.69	0.34	0.37	0.57	0.83	0.55	0.55
0.63	0.46	0.57	0.58	0.61	0.64	0.73	0.94
1.37	1.07	1.29	0.96	1.35	1.15	1.39	1.19
1.03	0.84	1.16	0.51	0.90	0.60	0.96	0.83
12.30	10.97	11.37	9.86	12.78	12.83	13.53	9.25

REPORT ON OPERATIONS - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.19	38.77	45.98	40.56
FACTORY EXPENSES	19.01	18.95	17.63	14.21
TOTAL FACTORY COST OF PRODUCT	64.20	57.72	63.61	54.77
GROSS PROFIT	35.80	42.28	36.39	45.23
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	15.13	10.17	16.36	15.19
Selling expenses	12.68	15.63	11.89	12.07
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.81	25.80	28.25	27.26
INCOME BEFORE INTEREST EXPENSE	7.99	16.48	8.14	17.97
Interest expense	2.35	1.36	3.20	2.32
OPERATING INCOME	5.64	15.12	4.94	15.65
Other income (expense)	0.87	1.10	0.71	1.53
INCOME BEFORE INCOME TAXES	6.51	16.22	5.65	17.18

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
41.28	38.02	39.99	37.60	43.07	38.55	43.23	38.03
19.92	17.62	20.18	17.89	17.05	15.93	17.08	15.66
61.20	55.64	60.17	55.49	60.12	54.48	60.31	53.69
38.80	44.36	39.83	44.51	39.88	45.52	39.69	46.31
16.77	15.85	18.46	14.75	16.37	14.62	15.81	14.92
11.93	11.16	12.97	10.49	13.01	11.01	12.50	10.86
28.70	27.01	31.43	25.24	29.38	25.63	28.31	25.78
10.10	17.35	8.40	19.27	10.50	19.89	11.38	20.53
2.76	1.74	1.71	1.47	2.93	2.20	3.62	2.45
7.34	15.61	6.69	17.80	7.57	17.69	7.76	18.08
1.58	2.41	0.17	(0.43)	0.96	1.29	0.95	1.64
8.92	18.02	6.86	17.37	8.53	18.98	8.71	19.72

SUPPORTING SCHEDULES - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.02%	2.88%	2.60%	2.28%
Direct wages	30.37	25.72	33.59	29.36
General factory salaries and wages	3.91	2.93	2.39	1.83
Packing, shipping and delivery wages	1.32	1.31	1.12	1.71
Payroll taxes	2.81	2.39	2.89	2.66
Employee benefits	3.76	3.54	3.39	2.72
TOTAL FACTORY PAYROLL	45.19	38.77	45.98	40.56
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.36	0.37	0.37	0.19
Depreciation - other	4.11	3.90	4.04	3.96
Taxes - real estate	0.41	0.50	0.32	0.16
Taxes - other	0.16	0.01	0.12	0.02
Insurance	1.02	0.75	0.99	0.91
Building rent	1.98	2.23	1.95	0.95
Utilities - heat, light, etc.	1.92	1.97	1.56	1.73
Equipment rental	0.41	0.17	0.96	0.04
Total Fixed Expenses	10.37	9.90	10.31	7.96
Other Expenses				
Factory supplies and expense	3.17	3.93	2.69	1.97
Packing, shipping and delivery expense	2.32	2.21	1.72	2.19
Repairs and maintenance	1.91	1.86	1.62	1.65
Other factory expenses	1.24	1.05	1.29	0.44
Total Other Expenses	8.64	9.05	7.32	6.25
TOTAL FACTORY EXPENSES	19.01	18.95	17.63	14.21
ADMINISTRATIVE EXPENSES				
Salaries - executive	5.11	3.51	6.30	5.92
Salaries - office	3.97	2.29	3.71	3.25
Payroll taxes	0.51	0.26	0.49	0.53
Employee benefits	1.03	0.43	0.96	1.17
Bad debts	0.34	0.28	0.72	0.56
Office supplies and expenses	0.63	0.50	0.72	0.89
Professional fees	0.69	0.63	0.99	0.97
Taxes - business	0.21	0.12	0.08	0.01
Telephone	0.64	0.63	0.52	0.52
Other administrative expenses	2.00	1.52	1.87	1.37
TOTAL ADMINISTRATIVE EXPENSES	15.13	10.17	16.36	15.19
SELLING EXPENSES				
Salaries - executive	2.46	2.52	2.56	1.70
Salaries and commissions - salesmen	5.19	8.41	4.77	5.99
Salaries - sales office clerical	0.86	0.65	0.88	0.86
Payroll taxes	0.39	0.35	0.39	0.38
Employee benefits	0.53	0.69	0.43	0.51
Advertising	0.53	0.38	0.58	0.73
Travel and entertainment	1.70	1.65	1.34	1.55
Other selling expenses	1.02	0.98	0.94	0.35
TOTAL SELLING EXPENSES	12.68	15.63	11.89	12.07

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.16%	3.07%	4.00%	3.22%	3.21%	1.68%	3.25%	3.13%
27.71	23.94	27.97	27.39	28.84	27.65	33.37	26.94
4.35	5.31	2.22	1.65	3.04	1.55	3.06	4.83
1.41	1.46	1.21	1.02	1.42	1.70	0.91	0.71
2.46	2.30	2.39	2.17	3.31	3.42	0.74	0.73
2.19	1.94	2.20	2.15	3.25	2.55	1.90	1.69
41.28	38.02	39.99	37.60	43.07	38.55	43.23	38.03
0.36	0.21	0.20	0.53	0.28	0.28	0.27	0.22
4.58	3.91	3.79	3.58	4.72	5.16	4.37	4.39
0.19	0.13	0.08	0.08	0.17	0.16	0.42	0.30
0.46	0.44	0.35	0.25	0.38	0.19	0.13	0.09
0.85	0.74	1.33	1.74	0.95	1.07	0.59	0.56
2.43	2.64	3.16	2.84	2.36	2.01	2.56	2.28
1.80	1.52	1.29	1.29	0.99	0.97	1.14	0.93
1.15	0.92	1.52	0.68	0.64	0.56	0.86	0.94
11.82	10.51	11.72	10.99	10.49	10.40	10.34	9.71
2.83	2.70	3.79	3.51	2.50	2.46	2.02	2.00
1.65	1.11	1.54	1.13	1.54	0.81	1.70	1.60
2.10	2.22	1.96	1.87	1.83	1.52	2.26	1.82
1.52	1.08	1.17	0.39	0.69	0.74	0.76	0.53
8.10	7.11	8.46	6.90	6.56	5.53	6.74	5.95
19.92	17.62	20.18	17.89	17.05	15.93	17.08	15.66
5.68	6.31	5.67	4.84	5.16	5.63	4.40	4.42
4.02	3.19	5.09	4.35	3.41	2.67	4.78	4.12
0.47	0.37	0.61	0.56	0.56	0.45	0.17	0.11
0.66	0.59	0.97	0.80	1.07	0.75	0.40	0.41
0.98	0.83	0.73	0.18	0.80	0.76	0.87	0.80
0.68	0.71	0.83	1.04	0.83	0.66	1.04	0.94
0.87	0.75	1.09	0.80	0.85	0.65	1.19	1.22
0.21	0.25	0.31	0.27	0.69	0.31	0.24	0.20
0.72	0.57	0.82	0.73	0.76	0.71	0.78	0.62
2.48	2.28	2.34	1.18	2.24	2.03	1.94	2.08
16.77	15.85	18.46	14.75	16.37	14.62	15.81	14.92
2.17	2.68	2.80	2.25	2.02	2.95	1.98	2.02
5.53	4.77	5.18	4.38	6.07	4.12	5.86	5.04
0.80	0.53	0.54	0.17	0.68	0.93	0.92	0.58
0.35	0.30	0.39	0.28	0.57	0.52	0.13	0.11
0.32	0.22	0.31	0.26	0.59	0.39	0.26	0.19
0.70	0.63	0.73	0.74	0.63	0.45	0.90	0.79
1.10	1.39	1.62	1.24	1.47	1.05	1.73	1.44
0.96	0.64	1.40	1.17	0.98	0.60	0.72	0.69
11.93	11.16	12.97	10.49	13.01	11.01	12.50	10.86

REPORT ON OPERATIONS - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	20.85	19.06	18.56	16.03
Other chargeable materials	4.96	4.37	7.77	5.63
Outside services	7.72	8.43	10.89	14.86
TOTAL MATERIAL	33.53	31.86	37.22	36.52
FACTORY PAYROLL	29.81	27.22	27.45	18.70
FACTORY EXPENSES	12.45	11.95	12.58	15.16
TOTAL FACTORY COST OF PRODUCT	75.79	71.03	77.25	70.38
GROSS PROFIT	24.21	28.97	22.75	29.62
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.79	12.41	10.29	6.01
Selling expenses	8.05	6.67	7.05	7.53
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.84	19.08	17.34	13.54
INCOME BEFORE INTEREST EXPENSE	5.37	9.89	5.41	16.08
Interest expense	1.70	1.52	1.45	1.93
OPERATING INCOME	3.67	8.37	3.96	14.15
Other income	0.76	1.48	0.58	0.27
INCOME BEFORE INCOME TAXES	4.43	9.85	4.54	14.42

SUPPORTING SCHEDULES - SALES = 100%

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	1.28%	1.33%	1.45%	0.00%
Film	1.30	0.37	2.73	2.65
Plates	1.40	1.68	2.32	1.85
Other chargeable materials	0.98	0.99	1.27	1.13
TOTAL OTHER CHARGEABLE MATERIALS	4.96	4.37	7.77	5.63
OUTSIDE SERVICES				
Composition	0.72	0.41	0.69	1.82
Offset preparation	1.41	0.97	0.40	0.00
Printing	1.31	0.80	1.25	1.25
Binding	2.77	3.45	7.51	11.79
Other outside services	1.51	2.80	1.04	0.00
TOTAL OUTSIDE SERVICES	7.72	8.43	10.89	14.86

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
20.79	20.27	23.30	20.90	23.24	21.80	22.21	17.77
5.90	4.77	5.08	5.90	5.49	4.62	5.29	7.81
9.23	7.90	6.94	7.40	5.32	3.28	8.60	6.33
35.92	32.94	35.32	34.20	34.05	29.70	36.10	31.91
28.47	28.06	27.91	25.04	29.78	30.12	27.58	25.80
11.60	11.37	12.60	11.25	11.77	11.23	11.93	11.90
75.99	72.37	75.83	70.49	75.60	71.05	75.61	69.61
24.01	27.63	24.17	29.51	24.40	28.95	24.39	30.39
10.31	8.04	11.20	10.59	9.23	8.01	10.46	11.25
7.85	7.40	7.39	6.48	8.40	9.00	8.59	6.29
18.16	15.44	18.59	17.07	17.63	17.01	19.05	17.54
5.85	12.19	5.58	12.44	6.77	11.94	5.34	12.85
1.38	1.48	1.79	1.31	2.22	1.64	1.73	1.13
4.47	10.71	3.79	11.13	4.55	10.30	3.61	11.72
0.30	0.03	0.96	0.31	0.71	0.98	0.67	0.55
4.77	10.74	4.75	11.44	5.26	11.28	4.28	12.27

1.30%	1.18%	1.09%	1.18%	0.95%	1.25%	1.64%	2.56%
1.13	1.24	1.19	1.40	1.51	1.09	1.11	1.49
1.57	1.35	1.29	2.12	1.52	0.98	1.40	2.73
1.90	1.00	1.51	1.20	1.51	1.30	1.14	1.03
5.90	4.77	5.08	5.90	5.49	4.62	5.29	7.81
1.50	1.52	0.64	0.49	0.28	0.06	0.86	1.06
1.38	1.19	1.39	1.97	1.11	0.28	2.12	2.57
1.31	1.69	1.90	2.05	0.27	0.73	1.81	0.57
2.80	2.43	1.11	0.65	2.22	1.17	2.29	1.35
2.24	1.07	1.90	2.24	1.44	1.04	1.52	0.78
9.23	7.90	6.94	7.40	5.32	3.28	8.60	6.33

SUPPORTING SCHEDULES - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.93%	1.44%	1.96%	2.67%
Direct wages	19.86	18.41	19.05	12.44
General factory salaries and wages	2.97	3.09	1.20	0.00
Packing, shipping and delivery wages	0.81	0.51	1.21	0.97
Payroll taxes	2.09	1.78	1.70	1.14
Employee benefits	2.15	1.99	2.33	1.48
TOTAL FACTORY PAYROLL	29.81	27.22	27.45	18.70
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.22	0.16	0.18	0.56
Depreciation - other	2.65	3.11	4.05	6.68
Taxes - real estate	0.23	0.20	0.24	0.40
Taxes - other	0.16	0.09	0.06	0.11
Insurance	0.75	0.66	0.90	1.08
Building rent	1.59	1.57	1.43	0.95
Utilities - heat, light, etc.	1.40	1.13	1.31	1.28
Equipment rental	0.44	0.18	0.19	0.01
Total Fixed Expenses	7.44	7.10	8.36	11.07
Other Expenses				
Factory supplies and expense	1.97	2.25	1.95	1.28
Packing, shipping and delivery expense	0.99	1.01	0.71	0.37
Repairs and maintenance	1.27	1.15	1.25	1.24
Other factory expenses	0.78	0.44	0.31	1.20
Total Other Expenses	5.01	4.85	4.22	4.09
TOTAL FACTORY EXPENSES	12.45	11.95	12.58	15.16
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.67	4.85	3.33	2.54
Salaries - office	2.70	2.46	2.11	1.27
Payroll taxes	0.44	0.53	0.37	0.14
Employee benefits	0.62	0.62	0.92	0.23
Bad debts	0.34	0.35	0.08	(0.20)
Office supplies and expenses	0.55	0.35	0.48	0.24
Professional fees	0.47	0.56	0.57	0.65
Taxes - business	0.13	0.11	0.25	0.16
Telephone	0.53	0.53	0.49	0.46
Other administrative expenses	1.34	2.05	1.69	0.52
TOTAL ADMINISTRATIVE EXPENSES	10.79	12.41	10.29	6.01
SELLING EXPENSES				
Salaries - executive	1.30	1.30	1.13	2.15
Salaries and commissions - salesmen	3.33	2.77	2.97	2.24
Salaries - sales office clerical	0.51	0.41	0.54	0.00
Payroll taxes	0.31	0.27	0.23	0.24
Employee benefits	0.36	0.24	0.22	0.42
Advertising	0.48	0.33	0.43	1.39
Travel and entertainment	1.29	0.90	0.93	1.06
Other selling expenses	0.47	0.45	0.60	0.03
TOTAL SELLING EXPENSES	8.05	6.67	7.05	7.53

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.84%	1.71%	2.32%	2.18%	2.27%	1.72%	1.99%	2.86%
19.27	18.84	18.82	17.32	19.20	19.97	19.60	15.41
2.18	2.17	2.82	1.96	2.77	1.95	1.59	3.35
1.04	1.13	0.89	0.58	0.70	1.04	0.83	0.91
1.93	1.83	1.66	1.66	1.94	1.90	1.75	1.71
2.21	2.38	1.40	1.34	2.90	3.54	1.82	1.56
28.47	28.06	27.91	25.04	29.78	30.12	27.58	25.80
0.24	0.16	0.29	0.47	0.67	0.30	0.22	0.19
2.34	2.49	3.10	3.07	2.40	2.60	2.88	3.55
0.17	0.13	0.19	0.21	0.18	0.16	0.15	0.16
0.10	0.09	0.31	0.25	0.40	0.32	0.22	0.28
0.72	0.64	0.74	0.75	0.74	0.47	0.62	0.72
1.47	1.05	1.28	0.95	1.03	1.20	1.32	1.46
1.19	0.98	1.34	1.16	1.22	1.06	1.11	0.90
0.51	0.51	0.45	0.21	0.30	0.15	0.46	0.34
6.74	6.05	7.70	7.07	6.94	6.26	6.98	7.60
1.99	2.08	1.95	1.26	1.77	1.70	2.07	1.50
1.09	1.35	1.01	1.10	0.89	0.96	0.95	1.07
1.07	0.88	1.26	1.00	1.10	1.15	1.36	1.49
0.71	1.01	0.68	0.82	1.07	1.16	0.57	0.24
4.86	5.32	4.90	4.18	4.83	4.97	4.95	4.30
11.60	11.37	12.60	11.25	11.77	11.23	11.93	11.90
3.13	2.30	3.81	3.40	2.66	2.36	3.14	4.36
2.65	2.15	2.85	3.42	2.23	1.71	2.77	2.84
0.42	0.31	0.38	0.40	0.43	0.27	0.39	0.56
0.71	0.47	0.49	0.57	0.47	0.39	0.52	0.58
0.24	0.12	0.48	0.22	0.44	0.37	0.54	0.39
0.50	0.38	0.60	0.46	0.38	0.29	0.56	0.67
0.70	0.57	0.53	0.41	0.53	0.63	0.54	0.39
0.15	0.14	0.23	0.22	0.29	0.26	0.19	0.32
0.55	0.42	0.61	0.63	0.43	0.34	0.49	0.46
1.26	1.18	1.22	0.86	1.37	1.39	1.32	0.68
10.31	8.04	11.20	10.59	9.23	8.01	10.46	11.25
1.65	1.27	1.06	0.89	1.75	1.85	1.61	1.02
3.08	3.23	3.40	3.19	3.21	3.64	3.76	2.37
0.55	0.55	0.49	0.56	0.87	0.88	0.61	0.28
0.27	0.26	0.26	0.24	0.30	0.34	0.31	0.21
0.37	0.47	0.22	0.25	0.39	0.61	0.34	0.36
0.41	0.33	0.37	0.38	0.42	0.46	0.48	0.63
0.86	0.71	0.84	0.63	0.86	0.79	0.87	0.83
0.66	0.58	0.75	0.34	0.60	0.43	0.61	0.59
7.85	7.40	7.39	6.48	8.40	9.00	8.59	6.29

REPORT ON OPERATIONS - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	20.78	18.56	22.89	23.88
Other chargeable materials	5.59	6.31	4.86	3.71
Outside services	10.48	9.29	7.54	8.40
TOTAL MATERIAL	36.85	34.16	35.29	35.99
FACTORY PAYROLL	28.43	25.05	29.93	25.93
FACTORY EXPENSES	11.89	12.42	11.37	9.28
TOTAL FACTORY COST OF PRODUCT	77.17	71.63	76.59	71.20
GROSS PROFIT	22.83	28.37	23.41	28.80
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.62	6.77	10.58	9.72
Selling expenses	8.18	10.75	7.63	7.63
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.80	17.52	18.21	17.35
INCOME BEFORE INTEREST EXPENSE	5.03	10.85	5.20	11.45
Interest expense	1.43	0.92	2.03	1.59
OPERATING INCOME	3.60	9.93	3.17	9.86
Other income (expense)	0.55	0.68	0.44	0.90
INCOME BEFORE INCOME TAXES	4.15	10.61	3.61	10.76

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.72%	2.30%	1.51%	1.35%
Film	1.24	0.85	0.89	0.62
Plates	1.91	2.44	1.59	1.02
Other chargeable materials	0.72	0.72	0.87	0.72
TOTAL OTHER CHARGEABLE MATERIALS	5.59	6.31	4.86	3.71
OUTSIDE SERVICES				
Composition	0.95	0.79	0.51	0.16
Offset preparation	2.30	1.34	2.36	4.63
Printing	3.66	3.32	1.39	0.15
Binding	2.07	3.57	1.76	1.10
Other outside services	1.50	0.27	1.52	2.36
TOTAL OUTSIDE SERVICES	10.48	9.29	7.54	8.40

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
21.02	20.43	20.34	17.87	20.72	19.59	23.10	22.34
5.63	5.27	3.99	3.62	4.62	4.45	5.07	4.48
8.45	7.48	11.03	12.99	10.16	6.40	8.65	8.09
35.10	33.18	35.36	34.48	35.50	30.44	36.82	34.91
26.73	25.44	25.97	24.72	27.56	26.69	27.24	24.86
12.97	11.85	13.22	11.74	10.91	11.07	10.81	10.22
74.80	70.47	74.55	70.94	73.97	68.20	74.87	69.99
25.20	29.53	25.45	29.06	26.03	31.80	25.13	30.01
10.95	10.62	11.98	9.66	10.62	10.34	10.06	9.83
7.70	7.34	8.22	6.81	8.35	7.57	7.80	6.88
18.65	17.96	20.20	16.47	18.97	17.91	17.86	16.71
6.55	11.57	5.25	12.59	7.06	13.89	7.27	13.30
1.73	1.14	1.10	0.96	1.94	1.56	2.29	1.64
4.82	10.43	4.15	11.63	5.12	12.33	4.98	11.66
1.02	1.63	0.15	(0.36)	0.63	0.84	0.59	1.05
5.84	12.06	4.30	11.27	5.75	13.17	5.57	12.71

1.33%	1.33%	1.18%	0.86%	1.19%	1.31%	1.17%	1.67%
1.47	1.48	0.86	0.75	1.13	0.92	1.39	1.09
1.12	1.39	0.86	0.85	1.03	0.92	1.41	1.16
1.71	1.07	1.09	1.16	1.27	1.30	1.10	0.56
5.63	5.27	3.99	3.62	4.62	4.45	5.07	4.48
1.08	0.86	0.92	1.60	1.56	0.37	1.39	0.94
1.38	1.54	1.76	2.30	1.54	1.22	1.90	1.87
2.63	2.93	5.45	7.44	2.64	1.84	1.89	2.10
1.80	1.53	1.30	1.02	2.38	1.59	2.07	1.84
1.56	0.62	1.60	0.63	2.04	1.38	1.40	1.34
8.45	7.48	11.03	12.99	10.16	6.40	8.65	8.09

SUPPORTING SCHEDULES - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.89%	1.94%	1.69%	1.49%
Direct wages	19.10	16.67	21.82	18.69
General factory salaries and wages	2.47	1.79	1.61	1.26
Packing, shipping and delivery wages	0.84	0.81	0.74	1.11
Payroll taxes	1.78	1.54	1.88	1.68
Employee benefits	2.35	2.30	2.19	1.70
TOTAL FACTORY PAYROLL	28.43	25.05	29.93	25.93
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.24	0.26	0.23	0.14
Depreciation - other	2.56	2.50	2.60	2.58
Taxes - real estate	0.26	0.32	0.20	0.10
Taxes - other	0.10	0.01	0.07	0.01
Insurance	0.64	0.50	0.64	0.58
Building rent	1.24	1.52	1.27	0.61
Utilities - heat, light, etc.	1.22	1.27	0.99	1.07
Equipment rental	0.26	0.11	0.65	0.02
Total Fixed Expenses	6.52	6.49	6.65	5.11
Other Expenses				
Factory supplies and expense	2.00	2.60	1.73	1.33
Packing, shipping and delivery expense	1.43	1.49	1.12	1.49
Repairs and maintenance	1.18	1.18	1.03	1.05
Other factory expenses	0.76	0.66	0.84	0.30
Total Other Expenses	5.37	5.93	4.72	4.17
TOTAL FACTORY EXPENSES	11.89	12.42	11.37	9.28
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.25	2.33	4.05	3.76
Salaries - office	2.53	1.52	2.42	2.08
Payroll taxes	0.32	0.17	0.32	0.33
Employee benefits	0.67	0.29	0.61	0.71
Bad debts	0.21	0.18	0.47	0.36
Office supplies and expenses	0.39	0.34	0.47	0.61
Professional fees	0.44	0.43	0.64	0.65
Taxes - business	0.14	0.09	0.05	0.01
Telephone	0.40	0.43	0.34	0.34
Other administrative expenses	1.27	0.99	1.21	0.87
TOTAL ADMINISTRATIVE EXPENSES	9.62	6.77	10.58	9.72
SELLING EXPENSES				
Salaries - executive	1.59	1.77	1.69	1.11
Salaries and commissions - salesmen	3.34	5.65	3.05	3.76
Salaries - sales office clerical	0.57	0.47	0.57	0.52
Payroll taxes	0.26	0.25	0.25	0.24
Employee benefits	0.35	0.47	0.27	0.32
Advertising	0.35	0.28	0.38	0.53
Travel and entertainment	1.07	1.20	0.85	0.95
Other selling expenses	0.65	0.66	0.57	0.20
TOTAL SELLING EXPENSES	8.18	10.75	7.63	7.63

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.08%	2.06%	2.56%	2.07%	2.11%	1.29%	2.05%	2.04%
17.84	15.89	18.12	17.99	18.46	19.06	21.01	17.65
2.87	3.65	1.49	1.15	1.88	1.05	1.96	3.18
0.92	0.97	0.79	0.62	0.94	1.20	0.56	0.44
1.59	1.54	1.56	1.43	2.12	2.32	0.47	0.46
1.43	1.33	1.45	1.46	2.05	1.77	1.19	1.09
26.73	25.44	25.97	24.72	27.56	26.69	27.24	24.86
0.23	0.14	0.14	0.35	0.19	0.19	0.17	0.15
2.95	2.62	2.46	2.31	3.06	3.57	2.78	2.85
0.12	0.08	0.06	0.06	0.11	0.11	0.27	0.20
0.30	0.29	0.22	0.16	0.25	0.13	0.08	0.06
0.54	0.50	0.86	1.13	0.62	0.74	0.38	0.37
1.59	1.78	2.04	1.83	1.52	1.41	1.64	1.50
1.16	1.02	0.85	0.86	0.64	0.67	0.72	0.61
0.75	0.63	0.99	0.45	0.43	0.44	0.55	0.64
7.64	7.06	7.62	7.15	6.82	7.26	6.59	6.38
1.86	1.82	2.54	2.44	1.61	1.70	1.28	1.33
1.06	0.75	1.01	0.70	0.90	0.56	1.06	1.03
1.36	1.49	1.27	1.24	1.17	1.06	1.40	1.16
1.05	0.73	0.78	0.21	0.41	0.49	0.48	0.32
5.33	4.79	5.60	4.59	4.09	3.81	4.22	3.84
12.97	11.85	13.22	11.74	10.91	11.07	10.81	10.22
3.74	4.25	3.72	3.13	3.38	4.01	2.80	2.93
2.61	2.14	3.30	2.89	2.20	1.88	3.06	2.74
0.31	0.25	0.39	0.37	0.36	0.32	0.11	0.07
0.44	0.41	0.62	0.48	0.67	0.52	0.26	0.27
0.63	0.53	0.46	0.12	0.53	0.54	0.55	0.52
0.44	0.47	0.53	0.68	0.54	0.48	0.67	0.64
0.57	0.50	0.73	0.53	0.54	0.45	0.76	0.80
0.14	0.17	0.19	0.17	0.46	0.21	0.15	0.13
0.46	0.38	0.52	0.48	0.49	0.51	0.49	0.40
1.61	1.52	1.52	0.81	1.45	1.42	1.21	1.33
10.95	10.62	11.98	9.66	10.62	10.34	10.06	9.83
1.39	1.78	1.71	1.47	1.33	2.05	1.23	1.26
3.55	3.10	3.36	2.82	3.84	2.75	3.64	3.18
0.53	0.34	0.34	0.11	0.45	0.66	0.58	0.37
0.23	0.20	0.25	0.18	0.37	0.36	0.08	0.07
0.19	0.15	0.20	0.17	0.37	0.26	0.16	0.12
0.46	0.43	0.48	0.50	0.41	0.31	0.57	0.52
0.71	0.92	1.02	0.82	0.94	0.76	1.08	0.92
0.64	0.42	0.86	0.74	0.64	0.42	0.46	0.44
7.70	7.34	8.22	6.81	8.35	7.57	7.80	6.88

BALANCE SHEET - ALL FIRMS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
ASSETS			
CURRENT ASSETS			
Cash	7.44%	6.24%	8.77%
Receivables	30.94	30.71	33.88
Inventories	14.73	14.67	13.69
Other current assets	6.60	4.43	4.56
TOTAL CURRENT ASSETS	59.71	56.05	60.90
FIXED ASSETS			
Real estate	10.29	8.09	8.78
Less: Accumulated depreciation	3.94	1.32	2.76
	6.35	6.77	6.02
Machinery and equipment	65.06	67.71	62.09
Less: Accumulated depreciation	38.57	35.38	35.31
	26.49	32.33	26.78
Other fixed assets	8.52	7.99	6.09
Less: Accumulated depreciation	4.64	4.38	3.14
	3.88	3.61	2.95
NET FIXED ASSETS	36.72	42.71	35.75
OTHER ASSETS	3.57	1.24	3.35
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	8.43	7.78	8.87
Accounts payable	14.40	13.75	14.45
Other current liabilities	9.53	8.24	10.74
TOTAL CURRENT LIABILITIES	32.36	29.77	34.06
LONG-TERM LIABILITIES	23.66	21.81	19.49
TOTAL LIABILITIES	56.02	51.58	53.55
SHAREHOLDERS' AND PROPRIETORS' EQUITY	43.98	48.42	46.45
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.85	1.88	1.79
QUICK RATIO	1.39	1.39	1.39
TOTAL LIABILITIES TO EQUITY	1.27	1.07	1.15
LONG-TERM LIABILITIES TO EQUITY	0.54	0.45	0.42
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.52	0.57

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
9.54%	5.61%	7.62%	5.58%	7.55	8.98%	8.78%	8.09%	3.64%
26.67	30.71	30.62	33.40	31.78	29.95	34.02	29.87	35.13
13.25	14.12	15.25	17.37	14.87	12.96	10.53	14.82	14.06
3.80	5.54	4.03	4.41	5.45	4.21	3.47	3.05	4.27
53.26	55.98	57.52	60.76	59.65	56.10	56.80	55.83	57.10
9.74	15.74	10.97	12.58	11.79	8.37	7.34	6.91	8.84
3.24	5.45	3.19	4.20	3.57	2.63	2.09	1.85	1.90
6.50	10.29	7.78	8.38	8.22	5.74	5.25	5.06	6.94
69.60	60.21	64.15	65.65	61.41	64.09	61.37	62.42	59.93
37.18	32.57	36.74	41.60	35.65	32.85	33.09	31.71	31.68
32.42	27.64	27.41	24.05	25.76	31.24	28.28	30.71	28.25
8.87	5.18	8.93	5.16	5.66	7.41	8.84	7.33	5.96
4.31	2.91	4.38	3.10	2.90	3.87	4.20	3.91	2.83
4.56	2.27	4.55	2.06	2.76	3.54	4.64	3.42	3.13
43.48	40.20	39.74	34.49	36.74	40.52	38.17	39.19	38.32
3.26	3.82	2.74	4.75	3.61	3.38	5.03	4.98	4.58
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
7.15	8.33	10.17	5.77	8.97	8.25	6.96	7.30	10.23
11.89	11.09	13.74	14.34	12.84	12.82	13.38	10.88	19.03
6.22	8.62	8.25	8.95	9.82	8.66	10.64	10.23	9.85
25.26	28.04	32.16	29.06	31.63	29.73	30.98	28.41	39.11
28.82	27.12	24.15	22.82	26.11	22.59	18.71	24.66	28.00
54.08	55.16	56.31	51.88	57.74	52.32	49.69	53.07	67.11
45.92	44.84	43.69	48.12	42.26	47.68	50.31	46.93	32.89
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2.11	2.00	1.79	2.09	1.89	1.89	1.83	1.97	1.46
1.58	1.49	1.31	1.49	1.42	1.45	1.49	1.44	1.10
1.18	1.23	1.29	1.08	1.37	1.10	0.99	1.13	2.04
0.63	0.60	0.55	0.47	0.62	0.47	0.37	0.53	0.85
0.53	0.54	0.57	0.63	0.58	0.51	0.54	0.51	0.53

SIGNIFICANT FACTS - ALL FIRMS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
INVESTMENT			
Average assets per employee - All employees	$ 21,889	$ 33,537	$ 23,815
Average assets per factory employee (Excluding Executives)	30,723	44,822	32,753
Average net worth per employee - All employees	9,546	16,424	11,592
Average gross plant investment per factory employee (Excluding Executives)	24,958	38,603	24,506
Net worth percentage of fixed assets	168.68%	127.46%	164.67%
EMPLOYEES			
Percent factory - All employees	75.46%	79.48%	76.65%
Percent administrative - All employees	14.52	12.57	13.91
Percent sales - All employees	10.02	7.95	9.44
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 45,550	$ 60,716	$ 51,996
Sales per factory employee	61,195	76,855	68,876
Sales less material per factory employee	40,091	46,382	43,359
Sales per administrative employee	391,737	553,498	485,027
EXCLUDING EXECUTIVES			
Sales per employee - All employees	50,265	67,835	57,353
Sales per factory employee	64,111	80,983	72,104
Sales less material per factory employee	42,021	48,752	45,381
SALES PER SALESMAN	425,605	496,566	583,105
SALES TO CURRENT ASSETS	387%	397%	414%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	43.04%	39.28%	41.33%
Factory payroll percentage of gross plant investment	95.28	78.50	96.50
Payroll per employee - All employees	$ 19,128	$ 22,190	$ 21,016
Payroll per factory employee	17,473	19,362	18,842
Payroll per administrative employee	23,583	29,483	25,864
Payroll per sales employee	26,397	37,747	33,433
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 14,807	$ 16,284	$ 16,033
Payroll per factory employee	14,536	15,492	15,456
Payroll per administrative employee	12,081	12,936	13,610
Payroll per sales employee	19,421	27,116	24,151
EXECUTIVE PAYROLL			
Payroll per executive - All executives	38,989	43,921	41,740
Payroll per factory executive	27,286	26,314	25,664
Payroll per administrative executive	42,467	49,351	42,272
Payroll per sales executive	27,997	23,342	34,092
RECEIVABLES			
Collection period	52.6	49.8	54.5
PROFIT			
Gross profit percentage of sales	24.21%	22.75%	24.01%
Average gross profit per factory employee	$ 15,897	$ 18,479	$ 17,626
Income before taxes percentage of sales	4.43%	4.54%	4.77%
Average income before taxes per employee	$ 2,182	$ 3,416	$ 2,654

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 21,150	$ 26,747	$ 23,975	$ 27,903	$ 24,877	$ 24,664	$ 23,446	$ 32,244	$ 27,209
29,919	39,026	33,824	39,185	34,304	35,915	36,410	50,905	41,715
9,028	12,196	10,555	14,314	9,929	12,183	11,403	14,239	9,342
25,178	31,473	27,141	31,426	26,615	28,881	26,584	37,671	29,921
126.26%	135.34%	131.91%	203.10%	219.37%	153.07%	171.94%	148.24%	142.22%
76.08%	76.86%	74.61%	75.35%	77.18%	73.01%	71.28%	70.66%	71.37%
14.58	11.48	14.46	13.48	13.11	16.40	18.72	15.92	16.90
9.34	11.66	10.93	11.17	9.71	10.59	10.00	13.42	11.73
$ 41,793	$ 50,760	$ 48,237	$ 60,877	$ 50,654	$ 51,023	$ 53,335	$ 59,508	$ 49,593
55,829	66,490	65,049	80,975	66,792	72,446	76,617	87,034	71,245
36,024	43,533	40,696	50,059	42,513	46,337	48,566	55,306	44,062
352,695	803,206	414,880	598,158	479,201	427,120	356,030	438,866	374,703
46,908	57,276	53,675	68,096	56,301	57,554	62,427	68,068	56,991
59,129	72,338	68,487	85,613	69,907	76,326	82,592	93,193	76,610
38,169	47,252	42,868	52,874	44,495	48,883	52,268	59,213	47,432
327,438	487,300	450,910	534,089	404,885	377,808	379,486	333,047	359,878
441%	364%	413%	424%	390%	419%	640%	411%	372%
40.89%	42.09%	41.03%	41.31%	43.15%	39.72%	39.86%	40.53%	39.16%
77.50	80.80	86.27	91.09	148.52	101.99	94.31	84.28	82.10
$ 16,734	$ 21,126	$ 19,232	$ 23,978	$ 21,277	$ 19,718	$ 20,704	$ 23,563	$ 18,639
14,890	19,557	17,187	21,820	19,098	18,835	18,693	22,460	18,197
21,503	25,665	23,266	30,290	29,665	22,783	23,031	24,385	18,094
23,108	30,855	30,082	31,694	32,447	28,969	30,003	26,496	22,688
$ 13,317	$ 16,569	$ 15,117	$ 18,479	$ 16,362	$ 15,890	$ 16,448	$ 18,263	$ 16,642
12,681	16,132	14,356	18,078	16,109	16,150	15,793	18,407	16,707
11,235	12,339	12,291	14,355	12,597	12,131	13,694	12,131	12,641
17,909	22,559	24,109	24,289	19,943	22,786	20,115	18,699	19,829
29,746	33,041	35,786	47,906	40,716	35,112	32,862	35,823	26,231
19,947	20,694	24,771	27,375	17,958	22,060	19,789	24,978	21,790
36,662	40,145	42,281	59,306	49,225	38,830	33,536	38,742	26,918
19,407	35,804	32,561	34,908	30,834	29,658	28,322	25,770	19,883
47.3	58.5	51.6	53.5	54.4	52.3	51.0	54.6	67.6
24.17%	24.40%	24.39%	22.83%	23.41%	25.20%	25.45%	26.03%	25.13%
$ 15,054	$ 17,610	$ 16,813	$ 19,662	$ 16,663	$ 19,071	$ 21,759	$ 25,220	$ 19,984
4.75%	5.26%	4.28%	4.15%	3.61%	5.84%	4.30%	5.75%	5.57%
$ 2,027	$ 2,829	$ 2,243	$ 2,809	$ 1,960	$ 3,108	$ 2,724	$ 3,551	$ 3,240

RETURN ON INVESTMENT - PER $100 OF SALES - ALL FIRMS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
INVESTMENT			
Current Assets:			
Cash	$ 3.39	$ 3.42	$ 4.06
Receivables	14.19	13.41	14.67
Inventories	6.79	6.77	6.34
Marketable securities	2.21	0.18	1.08
Other current assets	1.51	2.03	1.14
	28.09	25.81	27.29
Plant Investment:			
Land and building	5.40	6.68	4.87
Machinery and equipment	31.03	34.37	27.02
Other fixed assets	3.90	3.85	2.52
	40.33	44.90	34.41
Non-Current Assets	1.96	0.63	1.61
TOTAL INVESTMENT	70.38	71.34	63.31
INVESTMENT TURNOVER PER $100 OF SALES	142.09%	140.17%	157.95%
EARNINGS			
Cost of Product	$75.79	$77.25	$75.99
Selling Expenses	8.05	7.05	7.85
Administrative Expenses	10.79	10.29	10.31
	94.63	94.59	94.15
Income Before Interest, Other Income, and Taxes	5.37	5.41	5.85
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.63%	17.58%	9.24%

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 4.84	$ 3.08	$ 3.53	$ 2.37	$ 3.23	$ 4.53	$ 3.40	$ 4.32	$ 2.28
12.69	15.52	13.91	14.43	14.64	13.88	13.50	14.35	17.99
6.49	7.78	7.31	8.61	7.29	6.25	4.59	7.14	7.42
0.73	0.70	0.69	1.05	1.23	0.79	0.36	0.13	1.03
1.14	2.93	1.44	1.03	1.26	1.03	1.25	1.33	1.32
25.89	30.01	26.88	27.49	27.65	26.48	23.10	27.27	30.04
5.77	10.45	6.04	7.99	6.42	5.27	5.04	5.29	6.30
34.13	31.57	30.66	27.61	29.39	32.08	24.61	31.51	32.12
4.25	3.13	4.12	2.53	2.55	3.41	3.37	3.49	3.07
44.15	45.15	40.82	38.13	38.36	40.76	33.02	40.29	41.49
1.70	2.26	1.40	2.52	1.92	2.03	2.78	3.29	2.56
71.74	77.42	69.10	68.14	67.93	69.27	58.90	70.85	74.09
139.39%	129.17%	144.72%	146.76%	147.21%	144.36%	169.78%	141.14%	134.97%
$75.83	$75.60	$76.61	$77.17	$76.59	$74.80	$74.55	$73.97	$74.87
7.39	8.40	8.59	8.18	7.63	7.70	8.22	8.35	7.80
11.20	9.23	10.46	9.62	10.58	10.95	11.98	10.62	10.06
94.42	93.23	94.66	94.97	94.80	93.45	94.75	92.94	92.73
5.58	6.77	5.34	5.03	5.20	6.55	5.25	7.06	7.27
7.78%	8.74%	7.73%	7.38%	7.65%	9.46%	8.91%	9.96%	9.81%

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	847	$ 1,431,000	$ 2,745,000	$ 157,000
TOTAL - PROFIT LEADERS*	214	1,934,000	3,422,000	395,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$250,000	53	103,000	178,000	9,000
$250,000-$500,000	87	191,000	376,000	14,000
$500,000-$1,500,000	289	442,000	927,000	48,000
$1,500,000-$5,000,000	303	1,393,000	2,770,000	124,000
$5,000,000-$10,000,000	80	3,597,000	6,969,000	450,000
Over $10,000,000	35	10,074,000	17,658,000	1,262,000
PROFIT LEADERS				
0-$250,000	19	92,000	158,000	19,000
$250,000-$500,000	22	176,000	362,000	47,000
$500,000-$1,500,000	70	464,000	880,000	104,000
$1,500,000-$5,000,000	62	1,392,000	2,556,000	291,000
$5,000,000-$10,000,000	27	3,752,000	6,960,000	845,000
Over $10,000,000	14	13,450,000	22,371,000	2,500,000
BY GEOGRAPHIC REGIONS				
ALL FIRMS				
New England and Up-State New York	87	1,227,000	2,522,000	133,000
Metropolitan New York and New Jersey	11	1,546,000	2,913,000	79,000
Eastern Penna., Maryland and D.C.	69	1,753,000	3,827,000	216,000
Southeast Atlantic	75	1,042,000	1,971,000	89,000
East North Central	32	2,096,000	4,105,000	251,000
South Central	75	1,478,000	2,801,000	128,000
Chicago Area	48	2,578,000	4,858,000	274,000
West North Central	62	1,367,000	2,572,000	85,000
Plains and Mountain States	95	1,467,000	2,781,000	161,000
Pacific Southwest	64	1,872,000	3,124,000	269,000
Pacific Northwest	57	1,037,000	2,142,000	94,000
Canada	172	1,073,000	1,984,000	147,000
PROFIT LEADERS				
New England and Up-State New York	18	1,275,000	2,175,000	268,000
Metropolitan New York and New Jersey	2	1,561,000	1,852,000	240,000
Eastern Penna., Maryland and D.C.	19	2,544,000	4,936,000	530,000
Southeast Atlantic	19	737,000	1,425,000	150,000
East North Central	10	2,852,000	5,287,000	555,000
South Central	11	1,005,000	2,109,000	278,000
Chicago Area	9	4,966,000	9,691,000	981,000
West North Central	8	918,000	1,958,000	197,000
Plains and Mountain States	32	1,665,000	3,156,000	349,000
Pacific Southwest	17	5,022,000	7,130,000	867,000
Pacific Northwest	16	1,082,000	1,555,000	175,000
Canada	53	1,471,000	2,688,000	351,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 43.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

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- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* -- twice-a-year seminars for large company senior financial executives
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58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios Web Offset Study

PART I NON-HEATSET WEB .... Pages 6 to 34
PART II HEATSET WEB .... Pages 35 to 78

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NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR WEB OFFSET PRINTING FIRMS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of printing firms for Non-Heatset Web Offset printing in Part I (pages 6 to 34); and Heatset Web Offset printing firms in Part II (pages 35 to 78). The ratios and statistics presented are by size of firm, product specialty and for Heatset only, by percentage of paper supplied.

Thus, the user of the report can direct himself to the standards within his process for his sales size and product specialty in the Report on Operations and its Supporting Schedules based on Value Added, Report on Operations and Supporting Schedules based on Sales, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 75 Non-Heatset Web and 80 Heatset Web printing firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Nonheatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  - Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Page Number

FOREWORD.. 2

VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFIT 4- 5

CHAPTER 1 - BY SIZE OF FIRM.............................. 6-19
  Report on Operations - Value Added = 100%.............. 6- 7
  Supporting Schedules - Value Added = 100%.............. 8- 9
  Report on Operations - Sales = 100%.................... 10-11
  Supporting Schedules - Sales = 100%.................... 10-13
  Balance Sheet.. 14-15
  Significant Facts...................................... 16-17
  Return on Investment - Per $100 of Sales............... 18-19

CHAPTER 2 - BY PRODUCT SPECIALTY......................... 20-33
  Report on Operations - Value Added = 100%.............. 20-21
  Supporting Schedules - Value Added = 100%.............. 22-23
  Report on Operations - Sales = 100%.................... 24-25
  Supporting Schedules - Sales = 100%.................... 24-27
  Balance Sheet.. 28-29
  Significant Facts...................................... 30-31
  Return on Investment - Per $100 of Sales............... 32-33

ABSOLUTE DATA.. 34

Here are the Ratio Study results for non-heatset printers. Analyzing your own statements against the ratios, recognizing of course, that you need to factor these figures for your own operation, should be helpful to your business in the coming year.

A little over three years ago PIA formed a special section for non-heatset web printers. This section has, in addition to a membership committee, committees that deal with the sales and marketing, production management, and financial management aspects of non-heatset printing.

After the section's third annual meeting took place in Atlanta, *Printing Impressions* observed that that meeting "marked the section's quick transition into a mature, productive, invaluable education center for the industry it serves." It was a meeting filled with attractions for the many segments of the industry.

We are now planning our fourth annual meeting for October 21-23, 1981, at the Hyatt in Kansas City, Missouri. We look forward to seeing you there.

William J Howe

William J. Howe
Executive Director,
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Value Added - What Is It?

In printing, Value Added is simply your sales less material costs. It is the technical term for sales of your own manufacture and is also referred to as Inside Sales.

Ignoring the Value Added concept produces a poor profit. Of course, there can be several reasons for poor operating performance. In many cases, though, at least one of the answers can be found in a basic fact of accounting:

"Profit is achieved from Sales of your own manufacture."

Value Added and Profit

Too often, printers look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

For example, consider the following two possible results of a printing operation for a given month:

	FIRM A	FIRM B
Sales	$100,000	$ 90,000
Materials	35,000	15,000
Inside Sales	$ 65,000	$ 75,000

As shown above, sales of $100,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 a month that provide $75,000 of Inside Sales. The latter yields $10,000 more to cover overhead. Clearly, the sales figures in the statement are misleading; Value Added gives a truer picture of profit.

Note that the deficiency is not in sales; Firm A has more sales per month. It is the Value Added that is short. Management must understand that "Inside Sales" pay the rent, insurance, and administrative expenses - and make a profit.

Put another way: If you sell a press for $50 an hour, you recover the full $50 with which to pay overhead. But if you sell materials for $50 plus a 20% mark-up, you are left with only $10 to pay overhead. Obviously the press is the "better sale." There is nothing wrong in selling materials at $10 Value Added. The only thing wrong is to believe that the press and the materials are equally valuable sales; clearly they are not.

> "There are 'good sales' and 'better sales.' 'Better sales' are those with the higher dollar Value Added - all others are just 'good sales'."

PIA Value Added Ratios - A Truer Picture

It may be said that you are not similar to the average printer because of your product mix. If you compare your operation to the PIA ratios on the basis of sales, there will be distortion due to variations in materials. But your percentages of the base Value Added will exclude these variations, giving reliable data for evaluating your operations.

In keeping with the Value Added concept, management would be better informed if it prepared its Profit and Loss Statement on the basis of Inside Sales, as shown in the accompanying table. This type of presentation is more meaningful because it advises management to start its financial analysis with Value Added, rather than sales volume.

STATEMENT OF INCOME BASED ON VALUE ADDED

Sales or Value of Product	$ X	
Less: Paper, Other Chargeable Materials and Outside Services	X	
Value Added By Manufacture	X	100.00%*
Factory Payroll	X	38.66
Factory Expenses	X	17.47
Total Factory Cost of Product	X	56.13
Gross Profit	X	43.87
Administrative and Selling Expenses		
Administrative Expenses	X	14.22
Selling Expenses	X	10.64
Total Administrative and Selling Expenses	X	24.86
Income Before Interest Expense	X	19.01
Interest Expense	X	2.00
Operating Income	X	17.01
Other Income	X	1.28
Income Before Income Taxes	X	18.29%

* Source: Report on Operations (Profit Leaders)
1981 PIA Ratio Study, Sales Volume Study

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	41.99	35.33	47.91	45.08
FACTORY EXPENSES	20.22	18.95	24.35	25.94
TOTAL FACTORY COST OF PRODUCT	62.21	54.28	72.26	71.02
GROSS PROFIT	37.79	45.72	27.74	28.98
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.19	13.27	13.88	9.08
Selling expenses	10.81	11.48	5.53	4.91
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.00	24.75	19.41	13.99
INCOME BEFORE INTEREST EXPENSE	12.89	20.97	8.33	14.99
Interest expense	2.74	1.51	3.20	0.78
OPERATING INCOME	10.05	19.46	5.13	14.21
Other income (expense)	1.25	1.18	1.05	2.65
INCOME BEFORE INCOME TAXES	11.30	20.64	6.18	16.86

* See page 10 for the definition of "Profit Leaders."
** "All Firms" are the same as "Profit Leaders."

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
41.80	35.86	41.90	35.77	41.40	26.56	31.03
19.74	17.96	18.71	17.81	22.23	21.50	16.29
61.54	53.82	60.61	53.58	63.63	48.06	47.32
38.46	46.18	39.39	46.42	36.37	51.94	52.68
15.26	14.57	12.53	12.80	14.89	18.51	7.06
11.50	12.31	11.06	11.00	10.29	10.30	16.30
26.76	26.88	23.59	23.80	25.18	28.81	23.36
11.70	19.30	15.80	22.62	11.19	23.13	29.32
2.37	1.51	2.98	1.09	3.47	1.79	2.83
9.33	17.79	12.82	21.53	7.72	21.34	26.49
1.72	2.47	1.26	0.79	(0.06)	(4.48)	0.06
11.05	20.26	14.08	22.32	7.66	16.86	26.55

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.97%	3.10%	4.65%	4.88%
Direct wages	28.10	23.43	33.69	33.01
General factory salaries and wages	3.66	3.09	2.69	1.80
Packing, shipping and delivery wages	1.63	1.47	1.36	1.20
Payroll taxes	2.55	1.83	2.74	2.05
Employee benefits	3.08	2.41	2.78	2.14
TOTAL FACTORY PAYROLL	41.99	35.33	47.91	45.08
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.74	0.33	0.36	0.27
Depreciation - other	3.99	3.90	4.66	3.43
Taxes - real estate	0.38	0.38	0.15	0.14
Taxes - other	0.26	0.21	0.32	0.43
Insurance	0.70	0.57	0.99	0.47
Building rent	1.89	1.93	2.52	1.23
Utilities - heat, light, etc.	1.70	1.29	1.68	1.41
Equipment rental	0.48	0.20	0.19	0.30
Total Fixed Expenses	10.14	8.81	10.87	7.68
Other Expenses				
Factory supplies and expense	3.26	2.51	3.33	2.43
Packing, shipping and delivery expense	2.53	3.27	2.77	2.02
Repairs and maintenance	2.41	2.18	2.59	1.85
Other factory expenses	1.88	2.18	4.79	11.96
Total Other Expenses	10.08	10.14	13.48	18.26
TOTAL FACTORY EXPENSES	20.22	18.95	24.35	25.94
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.24	3.99	5.72	2.73
Salaries - office	3.71	3.61	3.25	2.29
Payroll taxes	0.47	0.41	0.64	0.87
Employee benefits	0.91	0.89	0.36	0.46
Bad debts	0.60	0.50	0.23	0.48
Office supplies and expenses	0.59	0.53	0.75	0.44
Professional fees	0.81	0.68	0.81	0.73
Taxes - business	0.19	0.35	0.07	0.14
Telephone	0.74	0.58	1.22	0.45
Other administrative expenses	1.93	1.73	0.83	0.49
TOTAL ADMINISTRATIVE EXPENSES	14.19	13.27	13.88	9.08
SELLING EXPENSES				
Salaries - executive	1.67	1.64	1.22	0.87
Salaries and commissions - salesmen	4.99	5.78	1.15	0.13
Salaries - sales office clerical	0.83	0.71	0.53	0.00
Payroll taxes	0.28	0.27	0.08	0.08
Employee benefits	0.38	0.49	0.03	0.09
Advertising	0.40	0.50	0.35	0.26
Travel and entertainment	1.07	0.82	0.77	0.07
Other selling expenses	1.19	1.27	1.40	3.41
TOTAL SELLING EXPENSES	10.81	11.48	5.53	4.91

** "All Firms" are the same as "Profit Leaders."

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.88%	2.85%	3.07%	3.76%	2.15%	2.27%	2.00%
28.30	25.20	27.27	20.97	26.76	14.85	19.03
3.52	2.24	4.19	3.65	3.64	4.78	5.51
1.49	1.34	1.86	1.91	2.28	2.05	0.88
2.78	2.00	2.39	2.64	2.32	0.43	0.65
2.83	2.23	3.12	2.84	4.25	2.18	2.96
41.80	35.86	41.90	35.77	41.40	26.56	31.03
0.63	0.43	0.63	0.10	1.80	0.27	0.40
3.98	4.08	4.30	4.44	3.40	3.60	2.90
0.37	0.33	0.54	0.42	0.24	0.49	0.60
0.28	0.22	0.22	0.17	0.27	0.14	0.08
0.74	0.67	0.68	0.80	0.51	0.21	0.16
1.85	2.40	2.26	2.41	1.47	1.17	0.21
1.63	1.14	1.98	1.79	1.76	1.14	0.99
0.70	0.25	0.24	0.19	0.32	0.06	0.03
10.18	9.52	10.85	10.32	9.77	7.08	5.37
3.03	2.21	3.11	2.86	4.24	2.31	3.48
2.40	2.77	1.66	1.88	3.95	9.72	3.23
2.33	2.35	2.17	2.17	2.94	1.54	2.33
1.80	1.11	0.92	0.58	1.33	0.85	1.88
9.56	8.44	7.86	7.49	12.46	14.42	10.92
19.74	17.96	18.71	17.81	22.23	21.50	16.29
4.66	5.07	3.76	3.81	3.05	2.81	1.58
3.48	3.15	3.66	3.91	5.49	8.05	2.12
0.55	0.39	0.31	0.42	0.37	0.38	0.08
1.05	1.10	0.81	0.86	1.10	1.02	0.30
0.67	0.54	0.62	0.29	0.61	0.88	0.38
0.62	0.66	0.45	0.32	0.65	0.66	0.24
0.98	0.73	0.52	0.52	0.77	1.26	0.15
0.21	0.41	0.19	0.25	0.25	0.71	0.14
0.79	0.63	0.53	0.50	0.61	0.90	0.31
2.25	1.89	1.68	1.92	1.99	1.84	1.76
15.26	14.57	12.53	12.80	14.89	18.51	7.06
1.68	1.54	1.92	1.69	1.36	1.86	2.55
5.67	6.77	4.91	6.20	4.89	4.66	7.08
0.70	0.84	0.93	0.16	1.14	0.86	1.74
0.35	0.34	0.27	0.27	0.16	0.08	0.32
0.37	0.38	0.51	0.69	0.29	0.47	1.02
0.46	0.66	0.29	0.32	0.47	0.77	0.10
1.25	0.95	0.94	0.67	0.82	1.11	1.02
1.02	0.83	1.29	1.00	1.16	0.49	2.47
11.50	12.31	11.06	11.00	10.29	10.30	16.30

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	32.53	31.64	31.59	24.55
Other chargeable materials	5.69	5.49	5.09	2.88
Outside services	4.67	4.52	0.66	1.03
TOTAL MATERIAL	42.89	41.65	37.34	28.46
FACTORY PAYROLL	23.90	20.65	29.75	32.08
FACTORY EXPENSES	11.50	11.21	15.38	18.98
TOTAL FACTORY COST OF PRODUCT	78.29	73.51	82.47	79.52
GROSS PROFIT	21.71	26.49	17.53	20.48
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	8.20	7.74	8.42	6.36
Selling expenses	6.41	6.87	3.60	3.39
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.61	14.61	12.02	9.75
INCOME BEFORE INTEREST EXPENSE	7.10	11.88	5.51	10.73
Interest expense	1.51	0.84	1.91	0.54
OPERATING INCOME	5.59	11.04	3.60	10.19
Other income (expense)	0.73	0.79	0.72	1.83
INCOME BEFORE INCOME TAXES	6.32	11.83	4.32	12.02

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	1.38%	1.65%	0.72%	0.54%
Film	0.82	0.82	1.83	1.38
Plates	1.04	1.03	0.82	0.61
Other chargeable materials	2.45	1.99	1.72	0.35
TOTAL OTHER CHARGEABLE MATERIALS	5.69	5.49	5.09	2.88
OUTSIDE SERVICES				
Composition	0.74	0.75	0.37	0.00
Offset preparation	0.21	0.11	0.15	0.58
Printing	1.91	2.68	0.00	0.00
Binding	0.50	0.61	0.10	0.40
Other outside services	1.31	0.37	0.04	0.05
TOTAL OUTSIDE SERVICES	4.67	4.52	0.66	1.03

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** All Firms are the same as "Profit Leaders."

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
30.36	30.51	36.15	35.51	34.46	29.12	38.83
5.56	5.11	6.88	7.35	4.29	3.93	7.66
4.57	4.23	6.90	5.71	5.35	8.40	3.15
40.49	39.85	49.93	48.57	44.10	41.45	49.64
24.68	21.29	21.07	18.55	22.82	15.10	16.00
11.53	10.65	9.30	9.13	12.55	13.09	8.30
76.70	71.79	80.30	76.25	79.47	69.64	73.94
23.30	28.21	19.70	23.75	20.53	30.36	26.06
9.17	8.67	6.23	6.52	8.60	11.29	3.64
7.23	7.80	5.57	5.94	6.02	6.04	8.72
16.40	16.47	11.80	12.46	14.62	17.33	12.36
6.90	11.74	7.90	11.29	5.91	13.03	13.70
1.39	0.91	1.43	0.51	1.77	0.88	1.37
5.51	10.83	6.47	10.78	4.14	12.15	12.33
1.04	1.55	0.61	0.48	(0.07)	(2.49)	0.05
6.55	12.38	7.08	11.26	4.07	9.66	12.38

1.24%	1.30%	1.18%	1.02%	1.51%	2.00%	5.50%
0.97	0.46	0.56	0.76	0.37	0.58	0.52
0.71	0.74	0.72	1.27	2.29	1.13	1.64
2.64	2.61	4.42	4.30	0.12	0.22	0.00
5.56	5.11	6.88	7.35	4.29	3.93	7.66
0.94	0.96	0.49	0.87	0.72	0.45	0.00
0.25	0.08	0.06	0.00	0.20	0.00	0.31
1.90	2.82	3.55	3.29	0.67	1.78	1.81
0.38	0.34	0.57	0.22	1.03	4.39	1.03
1.10	0.03	2.23	1.33	2.73	1.78	0.00
4.57	4.23	6.90	5.71	5.35	8.40	3.15

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.71%	1.84%	2.88%	3.59%
Direct wages	15.96	13.74	21.03	23.34
General factory salaries and wages	2.13	1.79	1.71	1.33
Packing, shipping and delivery wages	0.93	0.85	0.84	0.83
Payroll taxes	1.44	1.06	1.64	1.46
Employee benefits	1.73	1.37	1.65	1.53
TOTAL FACTORY PAYROLL	23.90	20.65	29.75	32.08
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.44	0.19	0.23	0.19
Depreciation - other	2.20	2.21	2.82	2.44
Taxes - real estate	0.21	0.21	0.10	0.10
Taxes - other	0.15	0.13	0.20	0.30
Insurance	0.40	0.32	0.60	0.33
Building rent	1.06	1.10	1.46	0.85
Utilities - heat, light, etc.	0.94	0.73	1.04	1.01
Equipment rental	0.28	0.12	0.13	0.20
Total Fixed Expenses	5.68	5.01	6.58	5.42
Other Expenses				
Factory supplies and expense	1.84	1.50	1.91	1.69
Packing, shipping and delivery expense	1.47	2.00	1.71	1.41
Repairs and maintenance	1.34	1.22	1.56	1.31
Other factory expenses	1.17	1.48	3.62	9.15
Total Other Expenses	5.82	6.20	8.80	13.56
TOTAL FACTORY EXPENSES	11.50	11.21	15.38	18.98
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.41	2.31	3.36	1.88
Salaries - office	2.15	2.12	1.98	1.58
Payroll taxes	0.28	0.25	0.42	0.65
Employee benefits	0.53	0.51	0.22	0.31
Bad debts	0.35	0.29	0.16	0.35
Office supplies and expenses	0.33	0.31	0.46	0.31
Professional fees	0.49	0.41	0.53	0.52
Taxes - business	0.11	0.21	0.04	0.10
Telephone	0.43	0.33	0.72	0.32
Other administrative expenses	1.12	1.00	0.53	0.34
TOTAL ADMINISTRATIVE EXPENSES	8.20	7.74	8.42	6.36
SELLING EXPENSES				
Salaries - executive	0.99	0.95	0.83	0.61
Salaries and commissions - salesmen	2.99	3.45	0.79	0.09
Salaries - sales office clerical	0.47	0.45	0.28	0.00
Payroll taxes	0.16	0.16	0.05	0.05
Employee benefits	0.21	0.29	0.02	0.06
Advertising	0.24	0.31	0.21	0.18
Travel and entertainment	0.64	0.48	0.48	0.04
Other selling expenses	0.71	0.78	0.94	2.36
TOTAL SELLING EXPENSES	6.41	6.87	3.60	3.39

** "All Firms" are the same as "Profit Leaders."

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.70%	1.72%	1.54%	1.95%	1.24%	1.22%	1.09%
16.59	14.91	13.68	10.85	14.69	8.30	9.88
2.19	1.38	2.14	1.92	1.98	2.72	2.97
0.89	0.80	0.93	0.98	1.34	1.32	0.36
1.63	1.16	1.19	1.38	1.28	0.31	0.28
1.68	1.32	1.59	1.47	2.29	1.23	1.42
24.68	21.29	21.07	18.55	22.82	15.10	16.00
0.39	0.26	0.33	0.05	1.05	0.18	0.20
2.27	2.34	2.15	2.26	1.77	1.97	1.48
0.22	0.20	0.28	0.23	0.12	0.26	0.31
0.15	0.13	0.11	0.09	0.16	0.10	0.05
0.44	0.39	0.33	0.39	0.29	0.12	0.07
1.09	1.42	1.12	1.22	0.83	0.60	0.09
0.93	0.66	0.97	0.90	0.97	0.67	0.49
0.41	0.14	0.13	0.10	0.19	0.03	0.01
5.90	5.54	5.42	5.24	5.38	3.93	2.70
1.81	1.38	1.56	1.53	2.35	1.51	1.72
1.40	1.68	0.81	0.98	2.46	6.34	1.81
1.34	1.35	1.05	1.09	1.65	0.86	1.15
1.08	0.70	0.46	0.29	0.71	0.45	0.92
5.63	5.11	3.88	3.89	7.17	9.16	5.60
11.53	10.65	9.30	9.13	12.55	13.09	8.30
2.73	3.05	1.87	1.91	1.68	1.62	0.83
2.12	1.87	1.84	2.03	3.25	5.03	1.07
0.33	0.22	0.15	0.22	0.22	0.27	0.04
0.64	0.64	0.40	0.43	0.63	0.62	0.16
0.41	0.31	0.30	0.14	0.37	0.55	0.16
0.36	0.39	0.21	0.16	0.37	0.39	0.14
0.61	0.43	0.25	0.24	0.48	0.83	0.08
0.13	0.24	0.09	0.12	0.15	0.44	0.08
0.48	0.37	0.25	0.24	0.35	0.52	0.15
1.36	1.15	0.87	1.03	1.10	1.02	0.93
9.17	8.67	6.23	6.52	8.60	11.29	3.64
1.06	0.94	0.94	0.85	0.77	1.04	1.47
3.57	4.33	2.54	3.44	2.89	2.63	3.63
0.42	0.55	0.45	0.09	0.67	0.58	0.99
0.22	0.21	0.13	0.14	0.09	0.06	0.15
0.22	0.24	0.27	0.39	0.15	0.27	0.52
0.29	0.42	0.15	0.17	0.29	0.53	0.04
0.79	0.58	0.48	0.36	0.47	0.65	0.53
0.66	0.53	0.61	0.50	0.69	0.28	1.39
7.23	7.80	5.57	5.94	6.02	6.04	8.72

BALANCE SHEET

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	5.51%	7.25%	5.24%	1.63%
Receivables	28.33	29.17	30.26	35.94
Inventories	19.11	19.70	16.68	9.91
Other current assets	3.82	4.75	3.73	6.26
TOTAL CURRENT ASSETS	56.77	60.87	55.91	53.74
FIXED ASSETS				
Real estate	11.52	9.44	14.98	14.72
Less: Accumulated depreciation	3.30	2.88	5.72	8.37
	8.22	6.56	9.26	6.35
Machinery and equipment	55.43	56.30	77.57	76.76
Less: Accumulated depreciation	28.77	31.67	49.11	49.84
	26.71	24.63	28.46	26.92
Other fixed assets	6.27	7.03	3.38	5.91
Less: Accumulated depreciation	2.87	2.94	1.91	3.86
	3.40	4.09	1.47	2.05
NET FIXED ASSETS	38.33	35.28	39.19	35.32
OTHER ASSETS	4.90	3.85	4.90	10.94
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.29	4.94	5.58	2.38
Accounts payable	13.83	13.08	13.87	8.14
Other current liabilities	8.81	10.62	9.49	12.83
TOTAL CURRENT LIABILITIES	28.93	28.64	28.94	23.35
LONG-TERM LIABILITIES	24.33	13.95	26.54	7.62
TOTAL LIABILITIES	53.26	42.59	55.48	30.97
SHAREHOLDERS' AND PROPRIETORS' EQUITY	46.74	57.41	44.52	69.03
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.96	2.13	1.93	2.30
QUICK RATIO	1.30	1.44	1.36	1.88
TOTAL LIABILITIES TO EQUITY	1.14	0.74	1.25	0.45
LONG-TERM LIABILITIES TO EQUITY	0.52	0.24	0.60	0.11
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.56	0.63	0.65

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SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
7.27%	11.18%	3.77%	4.88%	3.33%	7.28%	(0.72)%
27.62	25.59	28.10	28.65	27.60	33.15	36.19
19.31	21.68	19.60	19.48	18.13	16.57	23.81
4.88	6.58	3.14	3.90	1.87	0.93	0.18
59.08	65.03	54.61	56.91	50.93	57.93	59.46
10.86	7.82	9.48	4.62	11.75	10.46	20.35
3.26	2.04	2.56	0.85	2.15	3.16	5.09
7.60	5.78	6.92	3.77	9.60	7.30	15.26
54.91	53.68	49.37	59.21	51.00	48.95	49.54
28.88	31.44	22.83	32.39	22.18	20.01	24.81
26.03	22.24	26.54	26.82	28.82	28.94	24.73
7.06	7.25	6.44	10.99	6.69	4.80	1.46
3.29	2.81	2.57	3.93	3.03	2.60	0.98
3.77	4.44	3.87	7.06	3.66	2.20	0.48
37.40	32.46	37.33	37.65	42.08	38.44	40.47
3.52	2.51	8.06	5.44	6.99	3.63	0.07
100.00	100.00	100.00	100.00	100.00	100.00	100.00
6.99	5.93	4.94	4.65	7.89	7.76	0.61
12.64	12.33	17.36	17.38	13.73	14.16	11.86
9.59	12.02	8.99	13.03	6.17	2.98	4.68
29.22	30.28	31.29	35.06	27.79	24.90	17.15
25.34	14.22	18.89	8.52	25.88	16.46	27.37
54.56	44.50	50.18	43.58	53.67	41.36	44.52
45.44	55.50	49.82	56.42	46.33	58.64	55.48
100.00	100.00	100.00	100.00	100.00	100.00	100.00
2.02	2.15	1.75	1.62	1.83	2.33	3.47
1.36	1.43	1.12	1.07	1.18	1.66	2.08
1.20	0.80	1.01	0.77	1.16	0.71	0.80
0.56	0.26	0.38	0.15	0.56	0.28	0.49
0.53	0.59	0.46	0.55	0.43	0.41	0.50

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 30,762	$ 33,975	$ 19,884	$ 20,487
Average assets per factory employee (Excluding Executives)	42,976	49,868	26,188	24,370
Average net worth per employee - All employees	14,536	19,319	8,405	14,218
Average gross plant investment per factory employee (Excluding Executives)	30,187	34,350	24,682	23,456
Net worth percentage of fixed assets	147.15%	209.39%	166.66%	293.14%
EMPLOYEES				
Percent factory - All employees	78.08%	74.83%	83.43%	88.52%
Percent administrative - All employees	12.31	13.06	12.71	10.39
Percent sales - All employees	9.61	12.11	3.86	1.09
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 63,163	$ 72,292	$ 48,807	$ 48,716
Sales per factory employee	83,493	100,698	60,670	55,027
Sales less material per factory employee	46,363	56,979	37,364	39,478
Sales per administrative employee	588,900	654,121	228,264	185,849
EXCLUDING EXECUTIVES				
Sales per employee - All employees	69,160	79,369	55,604	52,761
Sales per factory employee	88,147	106,975	64,914	57,881
Sales less material per factory employee	48,964	60,473	39,812	41,541
SALES PER SALESMAN	621,818	680,929	0	0
SALES TO CURRENT ASSETS	407%	383%	449%	487%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	34.08%	31.14%	37.69%	37.33%
Factory payroll percentage of gross plant investment	75.01	65.27	77.40	88.71
Payroll per employee - All employees	$ 20,147	$ 21,388	$ 17,590	$ 17,563
Payroll per factory employee	18,043	18,767	16,634	17,303
Payroll per administrative employee	25,823	26,523	17,091	11,037
Payroll per sales employee	30,402	28,268	7,882	8,067
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 15,802	$ 16,713	$ 13,744	$ 13,930
Payroll per factory employee	14,961	15,590	13,942	14,465
Payroll per administrative employee	13,598	13,704	9,348	6,046
Payroll per sales employee	24,194	21,231	5,318	3,090
EXECUTIVE PAYROLL				
Payroll per executive - All executives	40,541	45,302	36,854	40,300
Payroll per factory executive	28,182	33,061	23,680	42,494
Payroll per administrative executive	48,403	52,676	26,480	17,035
Payroll per sales executive	33,133	37,867	7,731	8,450
RECEIVABLES				
Collection period	51.3	50.3	48.3	57.1
PROFIT				
Gross profit percentage of sales	21.71%	26.49%	17.53%	20.48%
Average gross profit per factory employee	$ 20,294	$ 29,484	$ 12,284	$ 12,236
Income before taxes percentage of sales	6.32%	11.83%	4.32%	12.02%
Average income before taxes per employee	$ 4,494	$ 8,623	$ 2,568	$ 6,028

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SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 28,514	$ 35,699	$ 34,550	$ 31,395	$ 40,390	$ 40,597	$ 37,955
41,000	52,287	45,777	44,705	55,710	67,289	56,979
13,549	20,292	16,571	18,348	18,485	20,769	20,373
28,390	33,589	29,485	33,329	39,565	44,711	40,476
144.36%	218.34%	149.98%	159.78%	134.23%	232.23%	160.24%
77.28%	73.81%	80.86%	78.62%	74.67%	61.67%	71.47%
12.38	12.71	10.06	10.91	15.93	25.12	9.66
10.34	13.48	9.08	10.47	9.40	13.21	18.87
$ 58,307	$ 69,232	$ 71,123	$ 75,560	$ 70,549	$ 75,751	$ 100,150
78,068	97,653	88,479	96,317	96,708	124,152	145,891
46,020	58,471	43,865	49,378	52,440	72,645	67,054
562,076	645,088	749,726	772,352	553,837	370,163	1,212,042
64,202	76,012	77,536	84,272	75,130	83,220	107,989
82,267	102,232	93,905	105,347	100,712	132,581	155,852
48,521	61,258	46,592	53,996	54,702	77,308	71,860
496,142	547,942	789,615	730,361	887,728	1,168,623	532,401
397%	320%	415%	462%	393%	357%	443%
35.99%	33.34%	29.65%	28.04%	33.17%	27.20%	24.85%
78.70	65.98	74.13	66.49	67.23	50.31	51.07
$ 19,990	$ 22,659	$ 20,697	$ 20,907	$ 21,622	$ 20,278	$ 21,354
17,698	19,422	18,132	17,797	19,991	18,544	19,341
26,754	29,973	30,335	31,644	23,970	21,580	20,613
32,565	30,002	34,658	32,385	33,426	29,434	30,984
$ 15,624	$ 17,545	$ 16,162	$ 15,828	$ 17,127	$ 16,703	$ 17,399
14,664	16,206	15,037	14,224	16,457	16,002	16,161
13,274	13,533	16,387	17,082	14,244	16,050	13,054
25,383	21,971	29,116	25,870	27,183	23,368	24,499
39,085	49,211	41,973	39,736	46,156	45,078	43,421
26,707	34,172	28,681	22,322	36,398	43,492	29,489
45,237	56,627	61,098	62,333	56,141	44,478	58,761
27,664	33,890	42,458	46,245	55,924	57,589	49,365
52.4	49.9	48.9	42.3	52.6	57.9	53.5
23.30%	28.21%	19.70%	23.75%	20.53%	30.36%	26.06%
$ 20,650	$ 30,520	$ 18,604	$ 24,764	$ 22,026	$ 41,138	$ 39,686
6.55%	12.38%	7.08%	11.26%	4.07%	9.66%	12.38%
$ 4,299	$ 8,566	$ 5,073	$ 8,495	$ 3,359	$ 7,300	$ 13,065

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES UP TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 2.79	$ 3.94	$ 2.00	$ 0.86
Receivables	13.75	13.49	12.98	15.21
Inventories	9.02	9.34	7.17	4.65
Marketable securities	0.66	1.05	1.25	3.34
Other current assets	1.19	1.39	0.73	0.54
	27.41	29.21	24.13	24.60
Plant Investment:				
Land and building	6.44	5.38	9.33	9.14
Machinery and equipment	26.55	26.62	32.31	33.77
Other fixed assets	3.03	3.35	1.46	2.63
	36.02	35.35	43.10	45.54
Non-Current Assets	3.02	1.76	1.85	3.93
TOTAL INVESTMENT	66.45	66.32	69.08	74.07
INVESTMENT TURNOVER PER $100 OF SALES	150.49%	150.78%	144.76%	135.01%
EARNINGS				
Cost of Product	$ 78.29	$ 73.51	$ 82.47	$ 79.52
Selling Expenses	6.41	6.87	3.60	3.39
Administrative Expenses	8.20	7.74	8.42	6.36
	92.90	88.12	94.49	89.27
Income Before Interest, Other Income (Expense), and Taxes	7.10	11.88	5.51	10.73
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	10.68%	17.91%	7.98%	14.49%

** "All Firms" are the same as "Profit Leaders."

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 3.87	$ 6.25	$ 1.68	$ 2.12	$ 1.81	$ 4.03	$ (0.18)
14.10	13.44	12.91	11.24	14.04	15.56	14.42
9.23	11.13	9.16	7.88	9.14	7.89	10.07
0.74	1.20	0.44	0.60	0.38	0.00	0.00
1.63	2.20	0.95	1.01	0.54	0.53	0.09
29.57	34.22	25.14	22.85	25.91	28.01	24.40
5.87	5.32	4.94	1.74	7.64	4.93	9.58
26.37	27.08	23.46	24.12	29.02	28.06	20.86
3.55	3.62	3.00	4.83	3.09	2.64	0.57
35.79	36.02	31.40	30.69	39.75	35.63	31.01
2.11	1.20	6.05	2.76	3.79	2.01	0.03
67.47	71.44	62.59	56.30	69.45	65.65	55.44
148.21%	139.98%	159.77%	177.62%	143.99%	152.32%	180.38%
$ 76.70	$ 71.79	$ 80.30	$ 76.25	$ 79.47	$ 69.64	$ 73.94
7.23	7.80	5.57	5.94	6.02	6.04	8.72
9.17	8.67	6.23	6.52	8.60	11.29	3.64
93.10	88.26	92.10	88.71	94.09	86.97	86.30
6.90	11.74	7.90	11.29	5.91	13.03	13.70
10.23%	16.43%	12.62%	20.05%	8.51%	19.85%	24.71%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	41.00	37.93	53.23
FACTORY EXPENSES	20.28	18.37	21.38
TOTAL FACTORY COST OF PRODUCT	61.28	56.30	74.61
GROSS PROFIT	38.72	43.70	25.39
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.36	14.35	16.96
Selling expenses	9.89	8.79	11.64
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.25	23.14	28.60
INCOME (LOSS) BEFORE INTEREST EXPENSE	14.47	20.56	(3.21)
Interest expense	3.11	2.57	1.19
OPERATING INCOME (LOSS)	11.36	17.99	(4.40)
Other income (expense)	1.04	0.72	0.66
INCOME (LOSS) BEFORE INCOME TAXES	12.40	18.71	(3.74)

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
48.75	40.23	40.85	46.80
22.65	27.00	19.76	19.75
71.40	67.23	60.61	66.55
28.60	32.77	39.39	33.45
14.34	13.41	16.04	11.83
3.49	4.16	5.75	8.15
17.83	17.57	21.79	19.98
10.77	15.20	17.60	13.47
2.32	1.08	5.26	4.48
8.45	14.12	12.34	8.99
1.32	1.56	(0.49)	2.13
9.77	15.68	11.85	11.12

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.94%	3.38%	4.60%
Direct wages	28.35	27.06	36.42
General factory salaries and wages	3.14	2.18	1.70
Packing, shipping and delivery wages	1.74	1.19	1.63
Payroll taxes	2.49	2.09	4.41
Employee benefits	2.34	2.03	4.47
TOTAL FACTORY PAYROLL	41.00	37.93	53.23
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.49	0.47	3.64
Depreciation - other	4.30	4.94	2.31
Taxes - real estate	0.26	0.35	0.45
Taxes - other	0.27	0.18	0.22
Insurance	0.79	0.93	0.56
Building rent	2.28	2.57	1.94
Utilities - heat, light, etc.	1.81	1.46	1.96
Equipment rental	0.78	0.28	1.12
Total Fixed Expenses	10.98	11.18	12.20
Other Expenses			
Factory supplies and expense	2.58	2.46	4.22
Packing, shipping and delivery expense	1.94	1.69	2.03
Repairs and maintenance	2.96	2.51	2.32
Other factory expenses	1.82	0.53	0.61
Total Other Expenses	9.30	7.19	9.18
TOTAL FACTORY EXPENSES	20.28	18.37	21.38
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.49	5.27	5.88
Salaries - office	3.53	3.20	3.83
Payroll taxes	0.40	0.37	1.08
Employee benefits	0.77	0.67	1.04
Bad debts	0.77	0.52	1.02
Office supplies and expenses	0.61	0.61	0.37
Professional fees	0.68	0.63	0.95
Taxes - business	0.27	0.53	0.14
Telephone	0.77	0.63	1.14
Other administrative expenses	2.07	1.92	1.51
TOTAL ADMINISTRATIVE EXPENSES	14.36	14.35	16.96
SELLING EXPENSES			
Salaries - executive	1.32	1.17	3.03
Salaries and commissions - salesmen	5.23	4.85	4.14
Salaries - sales office clerical	0.40	0.34	1.21
Payroll taxes	0.31	0.42	0.49
Employee benefits	0.26	0.21	0.45
Advertising	0.37	0.32	0.28
Travel and entertainment	1.12	0.84	1.50
Other selling expenses	0.88	0.64	0.54
TOTAL SELLING EXPENSES	9.89	8.79	11.64

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.44%	3.31%	1.85%	2.04%
35.10	26.53	27.02	33.18
2.90	3.11	2.82	2.86
1.44	1.99	3.07	1.56
3.16	2.38	2.72	2.90
3.71	2.91	3.37	4.26
48.75	40.23	40.85	46.80
0.51	0.42	0.27	0.44
3.88	4.18	3.82	4.13
0.18	0.15	0.19	0.56
0.35	0.29	0.65	0.33
0.80	0.55	0.41	0.66
0.95	0.88	0.89	1.08
1.63	1.33	1.75	1.73
0.36	0.30	1.02	0.33
8.66	8.10	9.00	9.26
3.27	2.68	6.66	6.60
3.82	5.98	1.07	0.64
2.64	2.64	1.65	2.39
4.26	7.60	1.38	0.86
13.99	18.90	10.76	10.49
22.65	27.00	19.76	19.75
3.85	2.79	5.45	4.43
3.98	3.82	4.27	2.65
0.74	0.84	0.55	0.36
0.95	0.75	0.69	0.86
0.68	1.05	0.64	0.32
0.56	0.57	0.86	0.70
1.32	1.12	1.06	0.37
0.22	0.39	0.03	0.21
0.66	0.64	0.39	0.70
1.38	1.44	2.10	1.23
14.34	13.41	16.04	11.83
0.79	1.09	1.16	1.11
1.17	0.82	1.99	2.87
0.27	0.54	0.66	1.46
0.11	0.12	0.21	0.24
0.10	0.15	0.28	0.54
0.39	0.61	0.12	0.34
0.42	0.43	0.40	1.08
0.24	0.40	0.93	0.51
3.49	4.16	5.75	8.15

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	33.78	34.36	28.82
Other chargeable materials	5.78	6.21	7.24
Outside services	6.38	5.17	2.79
TOTAL MATERIAL	45.94	45.74	38.85
FACTORY PAYROLL	22.27	20.70	31.80
FACTORY EXPENSES	10.85	9.82	12.84
TOTAL FACTORY COST OF PRODUCT	79.06	76.26	83.49
GROSS PROFIT	20.94	23.74	16.51
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	7.76	7.84	10.81
Selling expenses	5.50	5.00	7.75
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	13.26	12.84	18.56
INCOME (LOSS) BEFORE INTEREST EXPENSE	7.68	10.90	(2.05)
Interest expense	1.65	1.36	0.72
OPERATING INCOME (LOSS)	6.03	9.54	(2.77)
Other income (expense)	0.52	0.41	0.35
INCOME (LOSS) BEFORE INCOME TAXES	6.55	9.95	(2.42)

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	2.40%	4.11%	2.31%
Film	0.51	0.64	2.92
Plates	1.44	1.31	1.18
Other chargeable materials	1.43	0.15	0.83
TOTAL OTHER CHARGEABLE MATERIALS	5.78	6.21	7.24
OUTSIDE SERVICES			
Composition	0.88	0.27	0.00
Offset preparation	0.50	0.15	0.01
Printing	3.15	3.04	0.44
Binding	1.07	1.47	0.65
Other outside services	0.78	0.24	1.69
TOTAL OUTSIDE SERVICES	6.38	5.17	2.79

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
31.03	29.44	40.35	36.96
7.03	4.79	2.73	4.68
1.71	2.24	6.16	3.97
39.77	36.47	49.24	45.61
29.02	25.27	21.05	25.32
14.05	17.86	9.65	10.89
82.84	79.60	79.94	81.82
17.16	20.40	20.06	18.18
8.91	8.47	8.62	6.53
2.18	2.60	2.72	4.33
11.09	11.07	11.34	10.86
6.07	9.33	8.72	7.32
1.34	0.63	2.35	2.40
4.73	8.70	6.37	4.92
0.91	1.05	(0.46)	1.12
5.64	9.75	5.91	6.04

1.33%	0.90%	1.09%	1.02%
2.84	1.94	0.71	0.90
1.92	1.31	0.93	0.95
0.94	0.64	0.00	1.81
7.03	4.79	2.73	4.68
0.00	0.00	4.54	0.06
0.97	1.27	0.00	0.29
0.00	0.00	1.32	0.21
0.66	0.87	0.00	1.78
0.08	0.10	0.30	1.63
1.71	2.24	6.16	3.97

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.60%	1.87%	2.86%
Direct wages	15.34	14.80	21.63
General factory salaries and wages	1.72	1.11	1.04
Packing, shipping and delivery wages	0.96	0.65	0.97
Payroll taxes	1.37	1.17	2.70
Employee benefits	1.28	1.10	2.60
TOTAL FACTORY PAYROLL	22.27	20.70	31.80
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.31	0.27	2.18
Depreciation - other	2.21	2.60	1.33
Taxes - real estate	0.14	0.18	0.26
Taxes - other	0.14	0.10	0.14
Insurance	0.43	0.51	0.36
Building rent	1.22	1.37	1.18
Utilities - heat, light, etc.	0.95	0.76	1.17
Equipment rental	0.43	0.15	0.77
Total Fixed Expenses	5.83	5.94	7.39
Other Expenses			
Factory supplies and expense	1.43	1.36	2.47
Packing, shipping and delivery expense	0.99	0.90	1.28
Repairs and maintenance	1.61	1.36	1.31
Other factory expenses	0.99	0.26	0.39
Total Other Expenses	5.02	3.88	5.45
TOTAL FACTORY EXPENSES	10.85	9.82	12.84
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.44	2.91	3.43
Salaries - office	1.91	1.73	2.41
Payroll taxes	0.22	0.21	0.66
Employee benefits	0.40	0.35	0.67
Bad debts	0.41	0.28	0.74
Office supplies and expenses	0.32	0.33	0.25
Professional fees	0.36	0.34	0.70
Taxes - business	0.14	0.29	0.08
Telephone	0.42	0.35	0.79
Other administrative expenses	1.14	1.05	1.08
TOTAL ADMINISTRATIVE EXPENSES	7.76	7.84	10.81
SELLING EXPENSES			
Salaries - executive	0.71	0.63	1.90
Salaries and commissions - salesmen	2.97	2.79	2.89
Salaries - sales office clerical	0.22	0.22	0.66
Payroll taxes	0.17	0.24	0.33
Employee benefits	0.15	0.12	0.26
Advertising	0.21	0.19	0.19
Travel and entertainment	0.62	0.49	1.12
Other selling expenses	0.45	0.32	0.40
TOTAL SELLING EXPENSES	5.50	5.00	7.75

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
1.56%	2.24%	1.12%	1.06%
20.72	16.59	14.06	17.94
1.80	1.97	1.37	1.63
0.88	1.20	1.76	0.85
1.86	1.46	1.36	1.57
2.20	1.81	1.38	2.27
29.02	25.27	21.05	25.32
0.31	0.27	0.10	0.24
2.30	2.57	1.69	2.22
0.11	0.10	0.07	0.29
0.21	0.20	0.33	0.19
0.51	0.34	0.22	0.37
0.49	0.48	0.55	0.60
1.00	0.85	0.85	0.93
0.20	0.18	0.56	0.19
5.13	4.99	4.37	5.03
1.86	1.80	3.16	3.78
2.38	3.87	0.60	0.37
1.52	1.53	0.86	1.27
3.16	5.67	0.66	0.44
8.92	12.87	5.28	5.86
14.05	17.86	9.65	10.89
2.28	1.70	2.82	2.44
2.57	2.51	2.45	1.48
0.49	0.58	0.28	0.20
0.63	0.46	0.30	0.47
0.43	0.67	0.38	0.16
0.34	0.35	0.50	0.38
0.84	0.73	0.63	0.21
0.13	0.25	0.01	0.12
0.40	0.40	0.20	0.38
0.80	0.82	1.05	0.69
8.91	8.47	8.62	6.53
0.51	0.66	0.69	0.58
0.68	0.48	0.79	1.56
0.18	0.36	0.35	0.74
0.07	0.08	0.10	0.13
0.06	0.10	0.11	0.29
0.28	0.40	0.06	0.19
0.25	0.26	0.22	0.58
0.15	0.26	0.40	0.26
2.18	2.60	2.72	4.33

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	7.88%	9.64%	(3.59)%
Receivables	27.16	24.44	33.36
Inventories	19.11	18.56	14.14
Other current assets	4.68	4.93	1.89
TOTAL CURRENT ASSETS	58.83	57.57	45.80
FIXED ASSETS			
Real estate	8.24	7.13	15.92
Less: Accumulated depreciation	1.71	0.81	5.42
	6.53	6.32	10.50
Machinery and equipment	53.26	53.40	56.88
Less: Accumulated depreciation	26.41	26.24	22.34
	26.85	27.16	34.54
Other fixed assets	6.89	9.83	4.36
Less: Accumulated depreciation	2.69	3.80	1.82
	4.20	6.03	2.54
NET FIXED ASSETS	37.58	39.51	47.58
OTHER ASSETS	3.59	2.92	6.62
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	5.87	8.06	2.79
Accounts payable	18.76	19.25	10.89
Other current liabilities	9.69	9.13	6.48
TOTAL CURRENT LIABILITIES	34.32	36.44	20.16
LONG-TERM LIABILITIES	25.52	17.08	29.79
TOTAL LIABILITIES	59.84	53.52	49.95
SHAREHOLDERS' AND PROPRIETORS' EQUITY	40.16	46.48	50.05
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.71	1.58	2.27
QUICK RATIO	1.16	1.07	1.57
TOTAL LIABILITIES TO EQUITY	1.49	1.15	1.00
LONG-TERM LIABILITIES TO EQUITY	0.64	0.37	0.60
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.50	0.49	0.39

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
8.07%	7.66%	10.28%	1.45%
24.41	22.79	19.95	32.06
14.71	13.05	21.27	18.96
6.72	8.26	3.79	3.17
53.91	51.76	55.29	55.64
18.66	16.48	7.84	11.17
6.69	6.44	1.24	3.23
11.97	10.04	6.60	7.94
63.76	71.38	47.92	53.87
36.29	41.11	19.89	21.00
27.47	30.27	28.03	32.87
3.83	4.43	10.38	4.58
2.40	2.62	6.36	2.78
1.43	1.81	4.02	1.80
40.87	42.12	38.65	42.61
5.22	6.12	6.06	1.75
100.00	100.00	100.00	100.00
8.77	3.13	5.87	10.76
11.91	9.79	15.83	11.78
9.85	8.54	13.05	7.12
30.53	21.46	34.75	29.66
18.67	21.72	38.97	26.62
49.20	43.18	73.72	56.28
50.80	56.82	26.28	43.72
100.00	100.00	100.00	100.00
1.77	2.41	1.59	1.88
1.28	1.80	0.98	1.24
0.97	0.76	2.81	1.29
0.37	0.38	1.48	0.61
0.57	0.58	0.42	0.39

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 30,011	$ 34,877	$ 26,822
Average assets per factory employee (Excluding Executives)	39,220	45,820	40,089
Average net worth per employee - All employees	12,361	16,019	13,811
Average gross plant investment per factory employee (Excluding Executives)	27,129	32,431	26,854
Net worth percentage of fixed assets	116.67%	130.64%	94.70%
EMPLOYEES			
Percent factory - All employees	81.91%	80.52%	77.84%
Percent administrative - All employees	10.99	11.64	12.20
Percent sales - All employees	7.10	7.84	9.96
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 64,759	$ 68,493	$ 43,994
Sales per factory employee	80,443	86,620	56,928
Sales less material per factory employee	42,327	46,519	34,409
Sales per administrative employee	846,772	754,073	429,633
EXCLUDING EXECUTIVES			
Sales per employee - All employees	70,207	74,586	50,503
Sales per factory employee	84,577	91,515	61,143
Sales less material per factory employee	44,540	49,128	36,957
SALES PER SALESMAN	846,772	1,111,210	291,909
SALES TO CURRENT ASSETS	405%	380%	506%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	31.45%	29.92%	45.02%
Factory payroll percentage of gross plant investment	78.12	65.39	86.44
Payroll per employee - All employees	$ 19,334	$ 20,018	$ 19,418
Payroll per factory employee	16,697	17,384	18,154
Payroll per administrative employee	29,697	30,875	26,305
Payroll per sales employee	37,639	31,236	39,986
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 15,332	$ 15,557	$ 14,512
Payroll per factory employee	14,020	14,455	14,585
Payroll per administrative employee	14,848	14,072	13,596
Payroll per sales employee	29,449	22,338	29,735
EXECUTIVE PAYROLL			
Payroll per executive - All executives	44,628	50,054	35,516
Payroll per factory executive	29,054	34,967	28,949
Payroll per administrative executive	61,198	72,090	43,004
Payroll per sales executive	33,153	38,253	42,963
RECEIVABLES			
Collection period	46.3	44.4	80.2
PROFIT			
Gross profit percentage of sales	20.94%	23.74%	16.51%
Average gross profit per factory employee	$ 18,015	$ 21,843	$ 9,229
Income (loss) before taxes percentage of sales	6.55%	9.95%	(2.42)%
Average income (loss) before taxes per employee	$ 4,365	$ 6,772	$ (1,256)

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 30,325	$ 30,967	$ 40,527	$ 26,739
38,693	42,100	51,857	33,696
14,332	16,736	10,693	11,462
30,544	35,288	39,591	22,704
126.51%	135.94%	96.04%	117.93%
83.32%	81.27%	79.33%	83.65%
13.76	14.96	15.24	9.04
2.92	3.77	5.43	7.31
$ 60,109	$ 66,776	$ 82,758	$ 59,922
74,749	86,589	104,054	72,436
43,441	52,659	47,635	38,639
518,281	473,495	605,074	687,582
64,279	72,684	88,517	64,515
76,656	89,886	106,383	75,308
44,518	54,544	48,979	40,122
545,980	568,971	437,398	846,090
410%	439%	427%	446%
36.51%	32.21%	28.93%	33.21%
76.04	57.02	96.93	89.53
$ 19,602	$ 19,914	$ 21,064	$ 19,904
18,994	19,151	19,332	18,076
20,353	17,153	27,228	29,208
19,741	21,318	32,324	28,232
$ 15,348	$ 15,428	$ 16,070	$ 15,202
15,699	15,686	15,952	14,746
10,671	8,638	13,084	13,192
13,883	12,055	30,144	22,596
40,924	44,426	44,538	39,300
31,810	44,817	30,910	24,806
35,920	35,437	51,895	48,918
23,911	29,138	43,218	35,354
45.9	44.4	32.7	54.2
17.16%	20.40%	20.06%	18.18%
$ 14,271	$ 19,336	$ 19,269	$ 13,945
5.64%	9.75%	5.91%	6.04%
$ 4,047	$ 6,415	$ 4,521	$ 3,685

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.63	$ 4.96	$ (0.18)
Receivables	12.37	12.04	21.84
Inventories	8.87	9.19	6.55
Marketable securities	0.90	1.14	0.15
Other current assets	1.14	1.16	1.16
	26.91	28.49	29.52
Plant Investment:			
Land and building	3.75	3.89	9.21
Machinery and equipment	24.51	26.76	30.86
Other fixed assets	3.25	4.81	3.00
	31.51	35.46	43.07
Non-Current Assets	1.66	1.40	6.02
TOTAL INVESTMENT	60.08	65.35	78.61
INVESTMENT TURNOVER PER $100 OF SALES	166.44%	153.02%	127.21%
EARNINGS			
Cost of Product	$ 79.06	$ 76.26	$ 83.49
Selling Expenses	5.50	5.00	7.75
Administrative Expenses	7.76	7.84	10.81
	92.32	89.10	102.05
Income (Loss) Before Interest, Other Income (Expense), and Taxes	7.68	10.90	(2.05)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	12.78%	16.68%	(2.61)%

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 3.69	$ 3.65	$ 4.00	$ 0.61
12.22	11.68	8.92	14.09
6.86	6.02	9.33	8.09
2.60	3.81	0.00	0.00
1.10	0.97	1.49	1.20
26.47	26.13	23.74	23.99
11.67	9.91	4.27	5.16
29.62	32.33	23.56	23.75
2.10	2.34	4.12	1.68
43.39	44.58	31.95	30.59
2.94	2.70	2.40	0.70
72.80	73.41	58.09	55.28
137.36%	136.22%	172.15%	180.90%
$ 82.84	$ 79.60	$ 79.94	$ 81.82
2.18	2.60	2.72	4.33
8.91	8.47	8.62	6.53
93.93	90.67	91.28	92.68
6.07	9.33	8.72	7.32
8.34%	12.71%	15.01%	13.24%

ABSOLUTE DATA NON-HEATSET WEB

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	75	$3,229,000	$ 6,451,000	$ 471,000
TOTAL - PROFIT LEADERS*	29	3,991,000	8,544,000	960,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$1,500,000	8	386,000	935,000	51,000
$1,500,000-$5,000,000	39	1,370,000	2,727,000	199,000
$5,000,000-$10,000,000	15	3,721,000	7,329,000	519,000
$10,000,000-$20,000,000	10	7,932,000	14,398,000	635,000
Over $20,000,000***	3	16,855,000	38,683,000	4,338,000
PROFIT LEADERS				
0-$1,500,000	3	416,000	975,000	122,000
$1,500,000-$5,000,000	14	1,635,000	3,044,000	383,000
$5,000,000-$10,000,000	6	2,847,000	6,798,000	791,000
$10,000,000-$20,000,000	3	7,984,000	15,133,000	1,452,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	25	2,731,000	5,599,000	388,000
Magazine	6	2,959,000	4,135,000	(73,000)
Newspaper	10	2,933,000	4,964,000	326,000
Catalog and Directory	2	5,468,000	10,449,000	524,000
Book	5	2,314,000	5,000,000	297,000
PROFIT LEADERS				
Commercial and Advertising	10	3,422,000	6,288,000	679,000
Newspaper	5	2,838,000	5,308,000	484,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.
*** "All Firms" are "Profit Leaders."

TABLE OF CONTENTS PART II HEATSET WEB

Page Number

CHAPTER 1 - BY SIZE OF FIRM 36-49
  Report on Operations - Value Added = 100% 36-37
  Supporting Schedules - Value Added = 100% 38-39
  Report on Operations - Sales = 100% 40-41
  Supporting Schedules - Sales = 100% 40-43
  Balance Sheet 44-45
  Significant Facts 46-47
  Return on Investment - Per $100 of Sales 48-49

CHAPTER 2 - BY PRODUCT SPECIALTY 50-63
  Report on Operations - Value Added = 100% 50-51
  Supporting Schedules - Value Added = 100% 52-53
  Report on Operations - Sales = 100% 54-55
  Supporting Schedules - Sales = 100% 54-57
  Balance Sheet 58-59
  Significant Facts 60-61
  Return on Investment - Per $100 of Sales 62-63

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED 64-77
  Report on Operations - Value Added = 100% 64-65
  Supporting Schedules - Value Added = 100% 66-67
  Report on Operations - Sales = 100% 68-69
  Supporting Schedules - Sales = 100% 68-71
  Balance Sheet 72-73
  Significant Facts 74-75
  Return on Investment - Per $100 of Sales 76-77

ABSOLUTE DATA 78

PIA's Web Offset Section is the Association's most senior special interest group. Over 600 PIA member firms are associated with the section's special activities, and over 1,000 people attend the Annual Web Offset Meeting each year, where they hear discussions and exchange information on the technology and problems unique to web offset production. WOS publishes summaries and transcripts of these sessions for the use of industry firms.

The Section also co-sponsors this annual survey of the financial ratios of heatset web firms. In addition, WOS makes available two publications of special interest to web companies. The *Heatset Web Press Installation Manual,* published every two years, lists most heatset web plants in the United States and Canada. A new companion volume, the *Product Catalog,* published on alternate years, describes the primary products printed by the companies listed in the *Installation Manual.* These publications can be a powerful marketing resource for firms considering web equipment, and for web equipment suppliers.

Finally, the Web Offset Section periodically produces several special reports of interest to heatset web firms. Information on these publications is available from the Web Offset Section.

No special dues are charged to members of the Section.

Ed Hill

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REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	48.06	45.53	38.98
FACTORY EXPENSES	21.17	18.18	22.03
TOTAL FACTORY COST OF PRODUCT	69.23	63.71	61.01
GROSS PROFIT	30.77	36.29	38.99
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	10.17	9.00	14.74
Selling expenses	9.54	7.91	16.09
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.71	16.91	30.83
INCOME BEFORE INTEREST EXPENSE	11.06	19.38	8.16
Interest expense	2.93	1.69	5.00
OPERATING INCOME	8.13	17.69	3.16
Other income	1.96	2.51	2.54
INCOME BEFORE INCOME TAXES	10.09	20.20	5.70

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
48.14	41.20	48.06	45.27	49.41	47.16
21.77	17.73	21.65	18.21	20.34	18.29
69.91	58.93	69.71	63.48	69.75	65.45
30.09	41.07	30.29	36.52	30.25	34.55
10.98	9.83	9.63	9.49	9.48	7.92
10.83	12.85	8.67	8.10	8.54	6.74
21.81	22.68	18.30	17.59	18.02	14.66
8.28	18.39	11.99	18.93	12.23	19.89
3.11	1.40	3.02	2.22	2.43	1.00
5.17	16.99	8.97	16.71	9.80	18.89
1.72	1.32	2.74	3.65	1.36	1.46
6.89	18.31	11.71	20.36	11.16	20.35

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.15%	1.78%	2.63%
Direct wages	30.56	29.90	26.69
General factory salaries and wages	6.05	5.30	3.38
Packing, shipping and delivery wages	1.54	1.48	1.37
Payroll taxes	2.72	2.71	3.02
Employee benefits	5.04	4.36	1.89
TOTAL FACTORY PAYROLL	48.06	45.53	38.98
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.55	0.30	0.05
Depreciation - other	4.26	4.30	3.82
Taxes - real estate	0.37	0.40	0.16
Taxes - other	0.33	0.26	0.25
Insurance	0.48	0.34	0.55
Building rent	1.08	0.68	2.83
Utilities - heat, light, etc.	2.55	2.35	1.75
Equipment rental	0.90	0.57	3.90
Total Fixed Expenses	10.52	9.20	13.31
Other Expenses			
Factory supplies and expense	4.74	4.14	3.63
Packing, shipping and delivery expense	1.72	1.55	1.82
Repairs and maintenance	2.64	2.02	2.63
Other factory expenses	1.55	1.27	0.64
Total Other Expenses	10.65	8.98	8.72
TOTAL FACTORY EXPENSES	21.17	18.18	22.03
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.06	2.16	3.76
Salaries - office	2.62	2.44	3.61
Payroll taxes	0.32	0.36	0.70
Employee benefits	0.78	0.76	0.55
Bad debts	0.58	0.44	1.33
Office supplies and expenses	0.56	0.44	0.92
Professional fees	0.58	0.40	0.55
Taxes - business	0.12	0.16	0.05
Telephone	0.51	0.42	0.51
Other administrative expenses	2.04	1.42	2.76
TOTAL ADMINISTRATIVE EXPENSES	10.17	9.00	14.74
SELLING EXPENSES			
Salaries - executive	0.94	0.88	1.45
Salaries and commissions - salesmen	4.39	3.60	9.40
Salaries - sales office clerical	1.29	1.19	1.87
Payroll taxes	0.27	0.22	0.63
Employee benefits	0.43	0.38	0.35
Advertising	0.26	0.17	0.60
Travel and entertainment	0.98	0.71	0.80
Other selling expenses	0.98	0.76	0.99
TOTAL SELLING EXPENSES	9.54	7.91	16.09

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.19%	1.58%	2.32%	2.02%	1.91%	1.59%
31.71	24.26	29.75	31.00	31.18	30.22
4.92	4.88	6.60	3.77	6.63	6.87
1.39	2.09	1.62	1.49	1.59	1.40
2.66	2.42	2.79	2.79	2.64	2.67
5.27	5.97	4.98	4.20	5.46	4.41
48.14	41.20	48.06	45.27	49.41	47.16
0.44	0.32	0.96	0.25	0.36	0.35
4.83	4.03	4.15	4.31	4.16	4.27
0.39	0.39	0.36	0.29	0.40	0.53
0.52	0.53	0.37	0.27	0.20	0.23
0.68	0.79	0.48	0.35	0.35	0.23
1.06	0.97	1.16	0.80	0.74	0.53
2.77	2.20	2.58	2.09	2.52	2.68
0.89	1.56	0.58	0.35	0.70	0.63
11.58	10.79	10.64	8.71	9.43	9.45
4.56	3.33	4.51	4.28	5.23	4.06
1.08	0.50	2.49	2.12	1.41	1.20
2.74	0.46	2.75	2.25	2.49	2.12
1.81	2.65	1.26	0.85	1.78	1.46
10.19	6.94	11.01	9.50	10.91	8.84
21.77	17.73	21.65	18.21	20.34	18.29
2.34	1.72	2.09	2.60	1.62	1.64
2.38	3.03	2.59	2.30	2.65	2.50
0.30	0.61	0.27	0.32	0.31	0.34
0.77	1.01	0.75	0.82	0.84	0.70
0.71	0.00	0.53	0.25	0.43	0.44
0.58	1.44	0.46	0.37	0.57	0.29
0.58	0.69	0.46	0.37	0.68	0.37
0.14	0.19	0.18	0.25	0.08	0.07
0.59	0.37	0.50	0.47	0.48	0.39
2.59	0.77	1.80	1.74	1.82	1.18
10.98	9.83	9.63	9.49	9.48	7.92
0.91	1.03	1.09	1.33	0.75	0.44
5.03	3.48	3.92	3.25	3.65	3.86
1.40	4.12	1.07	0.93	1.32	0.97
0.30	0.45	0.24	0.25	0.23	0.13
0.67	1.49	0.28	0.30	0.43	0.25
0.30	0.46	0.18	0.09	0.24	0.21
0.97	0.63	0.97	0.87	1.04	0.57
1.25	1.19	0.92	1.08	0.88	0.31
10.83	12.85	8.67	8.10	8.54	6.74

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	31.54	28.70	28.34
Other chargeable materials	6.59	7.05	4.42
Outside services	6.13	4.15	13.32
TOTAL MATERIAL	44.26	39.90	46.08
FACTORY PAYROLL	26.94	27.46	20.86
FACTORY EXPENSES	11.67	10.85	11.73
TOTAL FACTORY COST OF PRODUCT	82.87	78.21	78.67
GROSS PROFIT	17.13	21.79	21.33
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	5.67	5.49	8.01
Selling expenses	5.26	4.71	8.74
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.93	10.20	16.75
INCOME BEFORE INTEREST EXPENSE	6.20	11.59	4.58
Interest expense	1.59	1.04	2.69
OPERATING INCOME	4.61	10.55	1.89
Other income	1.10	1.53	1.36
INCOME BEFORE INCOME TAXES	5.71	12.08	3.25

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	3.81%	4.85%	1.90%
Film	0.73	0.61	1.01
Plates	0.94	0.85	0.78
Other chargeable materials	1.11	0.74	0.73
TOTAL OTHER CHARGEABLE MATERIALS	6.59	7.05	4.42
OUTSIDE SERVICES			
Composition	0.37	0.33	1.36
Offset preparation	1.48	1.25	1.76
Printing	1.04	0.86	1.27
Binding	1.78	1.06	5.64
Other outside services	1.46	0.65	3.29
TOTAL OUTSIDE SERVICES	6.13	4.15	13.32

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
33.01	28.36	30.67	26.50	31.96	30.69
5.32	3.72	6.69	6.24	7.52	8.66
6.32	7.37	4.92	2.92	5.90	5.03
44.65	39.45	42.28	35.66	45.38	44.38
26.96	24.97	27.83	29.14	27.16	26.53
11.75	10.74	12.32	11.59	11.09	10.13
83.36	75.16	82.43	76.39	83.63	81.04
16.64	24.84	17.57	23.61	16.37	18.96
5.90	5.92	5.56	6.17	5.26	4.48
5.93	7.72	4.96	5.19	4.61	3.61
11.83	13.64	10.52	11.36	9.87	8.09
4.81	11.20	7.05	12.25	6.50	10.87
1.77	0.86	1.67	1.45	1.26	0.54
3.04	10.34	5.38	10.80	5.24	10.33
0.87	0.78	1.63	2.32	0.75	0.81
3.91	11.12	7.01	13.12	5.99	11.14

2.84%	2.83%	3.85%	3.42%	4.53%	6.70%
0.78	0.00	0.74	1.39	0.69	0.32
1.09	0.89	0.90	1.05	0.96	0.74
0.61	0.00	1.20	0.38	1.34	0.90
5.32	3.72	6.69	6.24	7.52	8.66
0.42	0.21	0.46	0.57	0.21	0.10
2.17	3.78	1.01	1.14	1.45	1.12
0.90	0.42	1.85	0.40	0.84	1.43
1.11	2.05	0.75	0.44	1.98	1.45
1.72	0.91	0.85	0.37	1.42	0.93
6.32	7.37	4.92	2.92	5.90	5.03

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.18%	1.04%	1.42%
Direct wages	17.14	18.18	14.21
General factory salaries and wages	3.36	3.09	1.87
Packing, shipping and delivery wages	0.86	0.89	0.73
Payroll taxes	1.54	1.67	1.61
Employee benefits	2.86	2.59	1.02
TOTAL FACTORY PAYROLL	26.94	27.46	20.86
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.31	0.18	0.03
Depreciation - other	2.36	2.56	2.04
Taxes - real estate	0.20	0.23	0.08
Taxes - other	0.18	0.16	0.13
Insurance	0.26	0.21	0.30
Building rent	0.59	0.43	1.48
Utilities - heat, light, etc.	1.41	1.40	0.94
Equipment rental	0.49	0.34	2.07
Total Fixed Expenses	5.80	5.51	7.07
Other Expenses			
Factory supplies and expense	2.65	2.45	1.93
Packing, shipping and delivery expense	0.94	0.89	0.98
Repairs and maintenance	1.44	1.23	1.39
Other factory expenses	0.84	0.77	0.36
Total Other Expenses	5.87	5.34	4.66
TOTAL FACTORY EXPENSES	11.67	10.85	11.73
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.16	1.33	2.02
Salaries - office	1.50	1.48	1.95
Payroll taxes	0.18	0.22	0.38
Employee benefits	0.44	0.46	0.29
Bad debts	0.31	0.26	0.75
Office supplies and expenses	0.31	0.27	0.49
Professional fees	0.32	0.25	0.30
Taxes - business	0.07	0.10	0.03
Telephone	0.28	0.25	0.28
Other administrative expenses	1.10	0.87	1.52
TOTAL ADMINISTRATIVE EXPENSES	5.67	5.49	8.01
SELLING EXPENSES			
Salaries - executive	0.52	0.55	0.80
Salaries and commissions - salesmen	2.39	2.09	5.11
Salaries - sales office clerical	0.72	0.71	1.03
Payroll taxes	0.15	0.13	0.34
Employee benefits	0.24	0.22	0.19
Advertising	0.14	0.10	0.31
Travel and entertainment	0.54	0.43	0.42
Other selling expenses	0.56	0.48	0.54
TOTAL SELLING EXPENSES	5.26	4.71	8.74

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.16%	0.92%	1.33%	1.21%	1.03%	0.90%
17.72	14.69	17.45	20.10	17.04	17.14
2.80	2.96	3.65	2.45	3.67	3.72
0.75	1.27	0.93	0.94	0.87	0.77
1.49	1.48	1.64	1.80	1.48	1.56
3.04	3.65	2.83	2.64	3.07	2.44
26.96	24.97	27.83	29.14	27.16	26.53
0.25	0.19	0.56	0.15	0.20	0.21
2.66	2.45	2.34	2.75	2.22	2.33
0.22	0.24	0.21	0.19	0.22	0.28
0.29	0.31	0.21	0.18	0.11	0.13
0.38	0.49	0.27	0.22	0.19	0.13
0.57	0.56	0.66	0.56	0.41	0.29
1.51	1.32	1.48	1.37	1.37	1.47
0.39	0.92	0.37	0.23	0.38	0.36
6.27	6.48	6.10	5.65	5.10	5.20
2.55	2.02	2.56	2.67	2.91	2.23
0.54	0.31	1.38	1.24	0.78	0.66
1.45	0.27	1.59	1.48	1.33	1.19
0.94	1.66	0.69	0.55	0.97	0.85
5.48	4.26	6.22	5.94	5.99	4.93
11.75	10.74	12.32	11.59	11.09	10.13
1.28	1.01	1.24	1.66	0.88	0.93
1.34	1.84	1.48	1.51	1.50	1.42
0.17	0.37	0.16	0.21	0.18	0.20
0.43	0.61	0.45	0.55	0.46	0.38
0.34	0.00	0.30	0.16	0.22	0.24
0.32	0.89	0.26	0.25	0.33	0.16
0.31	0.41	0.27	0.25	0.38	0.21
0.08	0.11	0.11	0.17	0.04	0.04
0.32	0.23	0.28	0.31	0.26	0.21
1.31	0.45	1.01	1.10	1.01	0.69
5.90	5.92	5.56	6.17	5.26	4.48
0.48	0.60	0.64	0.88	0.41	0.25
2.71	2.03	2.23	2.08	1.93	2.00
0.79	2.56	0.60	0.56	0.73	0.55
0.16	0.27	0.14	0.16	0.13	0.07
0.37	0.89	0.16	0.18	0.24	0.14
0.17	0.27	0.10	0.06	0.13	0.11
0.52	0.37	0.55	0.56	0.56	0.31
0.73	0.73	0.54	0.71	0.48	0.18
5.93	7.72	4.96	5.19	4.61	3.61

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	2.50%	5.57%	2.41%
Receivables	29.41	25.10	31.67
Inventories	21.39	19.48	22.41
Other current assets	4.21	8.12	9.22
TOTAL CURRENT ASSETS	57.51	58.27	65.71
FIXED ASSETS			
Real estate	13.05	13.24	4.31
Less: Accumulated depreciation	3.80	4.54	1.68
	9.25	8.70	2.63
Machinery and equipment	60.44	58.07	48.81
Less: Accumulated depreciation	33.76	31.27	30.04
	26.68	26.80	18.77
Other fixed assets	3.02	3.11	5.97
Less: Accumulated depreciation	1.64	1.38	3.01
	1.38	1.73	2.96
NET FIXED ASSETS	37.31	37.23	24.36
OTHER ASSETS	5.18	4.50	9.93
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	7.56	4.13	18.78
Accounts payable	13.58	10.97	18.83
Other current liabilities	9.71	12.23	13.27
TOTAL CURRENT LIABILITIES	30.85	27.33	50.88
LONG-TERM LIABILITIES	21.35	14.91	22.98
TOTAL LIABILITIES	52.20	42.24	73.86
SHAREHOLDERS' AND PROPRIETORS' EQUITY	47.80	57.76	26.14
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.86	2.13	1.29
QUICK RATIO	1.17	1.42	0.85
TOTAL LIABILITIES TO EQUITY	1.09	0.73	2.83
LONG-TERM LIABILITIES TO EQUITY	0.45	0.26	0.88
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.56	0.54	0.62

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.10%	22.53%	3.60%	5.97%	1.31%	1.61%
28.88	20.00	26.27	23.56	31.88	28.24
19.81	18.53	23.57	20.19	20.29	19.52
1.83	0.58	4.75	7.96	4.26	7.77
53.62	61.64	58.19	57.68	57.74	57.14
15.28	9.78	12.16	10.03	13.95	17.09
3.99	2.13	2.73	2.18	4.89	7.35
11.29	7.65	9.43	7.85	9.06	9.74
69.50	53.20	57.73	55.96	59.63	63.10
39.20	32.03	31.08	27.25	33.63	35.40
30.30	21.17	26.65	28.71	26.00	27.70
4.30	5.52	2.03	2.42	2.68	3.32
2.66	3.24	0.95	0.82	1.44	1.48
1.64	2.28	1.08	1.60	1.24	1.84
43.23	31.10	37.16	38.16	36.30	39.28
3.15	7.26	4.65	4.16	5.96	3.58
100.00	100.00	100.00	100.00	100.00	100.00
8.99	4.72	6.62	4.88	5.81	2.75
14.07	6.41	12.56	9.96	13.34	13.25
8.13	16.33	9.88	11.02	9.85	9.98
31.19	27.46	29.06	25.86	29.00	25.98
24.34	8.77	21.48	21.70	19.38	9.90
55.53	36.23	50.54	47.56	48.38	35.88
44.47	63.77	49.46	52.44	51.62	64.12
100.00	100.00	100.00	100.00	100.00	100.00

1.72	2.24	2.00	2.23	1.99	2.20
1.08	1.57	1.19	1.45	1.29	1.45
1.25	0.57	1.02	0.91	0.94	0.56
0.55	0.14	0.43	0.41	0.38	0.15
0.56	0.60	0.54	0.49	0.56	0.56

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 38,859	$ 39,597	$ 26,838
Average assets per factory employee (Excluding Executives)	47,915	47,712	39,135
Average net worth per employee - All employees	18,378	23,088	7,636
Average gross plant investment per factory employee (Excluding Executives)	35,350	34,335	21,908
Net worth percentage of fixed assets	144.87%	169.73%	156.91%
EMPLOYEES			
Percent factory - All employees	84.52%	86.24%	73.70%
Percent administrative - All employees	8.38	8.15	12.88
Percent sales - All employees	7.10	5.61	13.42
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 73,300	$ 72,673	$ 55,710
Sales per factory employee	87,818	85,451	79,436
Sales less material per factory employee	47,485	49,358	43,127
Sales per administrative employee	1,085,520	1,051,779	576,913
EXCLUDING EXECUTIVES			
Sales per employee - All employees	77,181	76,103	61,216
Sales per factory employee	90,839	87,979	84,660
Sales less material per factory employee	49,100	50,758	46,044
SALES PER SALESMAN	1,702,874	1,893,632	608,212
SALES TO CURRENT ASSETS	370%	331%	348%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	34.23%	34.66%	32.97%
Factory payroll percentage of gross plant investment	75.79	78.27	83.00
Payroll per employee - All employees	$ 24,035	$ 24,141	$ 18,339
Payroll per factory employee	22,299	22,135	15,752
Payroll per administrative employee	27,814	30,298	21,311
Payroll per sales employee	43,352	50,187	38,826
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,293	$ 19,412	$ 15,238
Payroll per factory employee	18,381	18,401	13,247
Payroll per administrative employee	14,701	15,037	12,647
Payroll per sales employee	37,210	42,780	36,066
EXECUTIVE PAYROLL			
Payroll per executive - All executives	48,420	50,687	30,140
Payroll per factory executive	34,774	36,317	23,832
Payroll per administrative executive	57,661	63,801	30,669
Payroll per sales executive	45,577	51,417	22,515
RECEIVABLES			
Collection period	55.7	50.8	56.0
PROFIT			
Gross profit percentage of sales	17.13%	21.79%	21.33%
Average gross profit per factory employee	$ 15,748	$ 18,889	$ 19,734
Income before taxes percentage of sales	5.71%	12.08%	3.25%
Average income before taxes per employee	$ 4,270	$ 8,707	$ 1,768

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 42,093	$ 40,370	$ 35,701	$ 33,716	$ 41,586	$ 45,574
52,779	53,819	43,759	40,269	50,080	54,468
18,891	25,822	16,696	17,366	21,150	29,405
44,430	36,530	32,326	27,125	35,084	42,143
118.42%	204.99%	132.66%	153.72%	166.96%	177.17%
83.95%	77.26%	85.86%	87.38%	85.42%	86.66%
7.70	10.48	7.90	7.56	8.43	8.28
8.35	12.26	6.24	5.06	6.15	5.06
$ 71,134	$ 74,411	$ 68,989	$ 58,992	$ 80,703	$ 89,037
85,600	96,741	81,894	68,338	95,119	104,122
46,167	58,315	45,340	43,364	50,610	55,320
1,031,259	709,279	980,433	943,308	1,279,200	1,285,887
75,053	77,882	72,817	62,433	84,351	92,548
88,963	99,439	84,635	70,697	97,842	106,967
47,874	59,886	46,879	44,748	52,033	56,790
1,258,913	909,489	1,268,758	1,474,842	2,343,352	2,696,972
366%	299%	380%	332%	368%	352%
34.68%	35.15%	34.94%	36.94%	33.61%	32.47%
61.42	67.32	79.49	97.24	79.28	62.70
$ 23,646	$ 26,165	$ 22,824	$ 21,552	$ 26,115	$ 27,252
21,732	23,978	21,036	19,443	24,650	25,416
28,783	27,437	27,805	30,672	28,323	31,037
41,295	38,542	42,263	43,823	46,036	58,203
$ 18,803	$ 19,628	$ 18,207	$ 16,962	$ 21,070	$ 22,596
17,797	18,664	17,311	16,153	20,362	21,377
15,092	14,566	14,551	13,452	14,935	17,282
36,532	30,262	35,046	34,431	39,506	52,750
43,478	25,436	49,994	56,012	52,622	51,186
29,875	20,817	34,298	33,753	39,473	42,376
55,145	30,515	60,054	70,103	61,271	66,180
28,046	27,056	51,150	54,986	53,966	58,578
58.4	41.8	50.6	47.4	58.2	55.1
16.64%	24.84%	17.57%	23.61%	16.37%	18.96%
$ 15,085	$ 24,666	$ 14,925	$ 16,699	$ 16,146	$ 20,432
3.91%	11.12%	7.01%	13.12%	5.99%	11.14%
$ 2,954	$ 8,199	$ 4,608	$ 7,763	$ 5,084	$ 10,048

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.36	$ 3.18	$ 1.14
Receivables	14.81	13.43	14.75
Inventories	10.43	10.37	9.86
Marketable securities	1.09	2.69	1.21
Other current assets	1.19	2.21	4.23
	28.88	31.88	31.19
Plant Investment:			
Land and building	7.47	7.04	3.13
Machinery and equipment	31.01	31.89	23.91
Other fixed assets	1.43	1.61	2.87
	39.91	40.54	29.91
Non-Current Assets	3.00	2.71	5.61
TOTAL INVESTMENT	71.79	75.13	66.71
INVESTMENT TURNOVER PER $100 OF SALES	139.30%	133.10%	149.90%
EARNINGS			
Cost of Product	$ 82.87	$ 78.21	$ 78.67
Selling Expenses	5.26	4.71	8.74
Administrative Expenses	5.67	5.49	8.01
	93.80	88.41	95.42
Income Before Interest, Other Income, and Taxes	6.20	11.59	4.58
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.64%	15.43%	6.87%

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 1.67	$ 12.21	$ 2.01	$ 3.52	$ 0.69	$ 0.89
15.40	10.92	13.54	12.64	15.52	14.53
10.52	10.03	10.71	10.81	10.25	9.98
0.35	0.05	2.32	4.20	0.47	1.24
0.55	0.25	0.55	0.78	1.58	2.85
28.49	33.46	29.13	31.95	28.51	29.49
10.33	5.35	7.07	5.41	6.97	8.57
37.66	29.09	30.50	31.82	29.00	32.58
2.06	2.96	1.01	1.22	1.22	1.63
50.05	37.40	38.58	38.45	37.19	42.78
1.80	4.09	2.55	2.80	3.59	1.75
80.34	74.95	70.26	73.20	69.29	74.02
124.47%	133.42%	142.33%	136.61%	144.32%	135.10%
$ 83.36	$ 75.16	$ 82.43	$ 76.39	$ 83.63	$ 81.04
5.93	7.72	4.96	5.19	4.61	3.61
5.90	5.92	5.56	6.17	5.26	4.48
95.19	88.80	92.95	87.75	93.50	89.13
4.81	11.20	7.05	12.25	6.50	10.87
5.99%	14.94%	10.03%	16.73%	9.38%	14.69%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	46.46	43.38
FACTORY EXPENSES	21.76	16.93
TOTAL FACTORY COST OF PRODUCT	68.22	60.31
GROSS PROFIT	31.78	39.69
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	10.38	9.26
Selling expenses	11.23	10.01
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.61	19.27
INCOME BEFORE INTEREST EXPENSE	10.17	20.42
Interest expense	3.23	1.80
OPERATING INCOME	6.94	18.62
Other income	2.41	2.87
INCOME BEFORE INCOME TAXES	9.35	21.49

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
50.40	47.27	39.37	52.92
21.31	19.84	16.32	19.83
71.71	67.11	55.69	72.75
28.29	32.89	44.31	27.25
9.40	8.64	16.38	10.12
7.02	5.20	13.39	4.63
16.42	13.84	29.77	14.75
11.87	19.05	14.54	12.50
2.68	1.87	2.53	1.83
9.19	17.18	12.01	10.67
1.41	2.11	2.82	2.35
10.60	19.29	14.83	13.02

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.19%	1.72%
Direct wages	28.85	27.64
General factory salaries and wages	6.43	5.20
Packing, shipping and delivery wages	1.71	1.92
Payroll taxes	2.49	2.41
Employee benefits	4.79	4.49
TOTAL FACTORY PAYROLL	46.46	43.38
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.32	0.18
Depreciation - other	4.18	4.05
Taxes - real estate	0.48	0.46
Taxes - other	0.30	0.28
Insurance	0.56	0.39
Building rent	1.53	0.89
Utilities - heat, light, etc.	2.65	2.41
Equipment rental	1.13	0.56
Total Fixed Expenses	11.15	9.22
Other Expenses		
Factory supplies and expense	4.36	3.78
Packing, shipping and delivery expense	1.85	1.13
Repairs and maintenance	2.73	1.67
Other factory expenses	1.67	1.13
Total Other Expenses	10.61	7.71
TOTAL FACTORY EXPENSES	21.76	16.93
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.08	1.97
Salaries - office	2.44	2.47
Payroll taxes	0.28	0.33
Employee benefits	0.77	0.88
Bad debts	0.62	0.56
Office supplies and expenses	0.54	0.53
Professional fees	0.61	0.36
Taxes - business	0.12	0.27
Telephone	0.58	0.44
Other administrative expenses	2.34	1.45
TOTAL ADMINISTRATIVE EXPENSES	10.38	9.26
SELLING EXPENSES		
Salaries - executive	1.16	1.29
Salaries and commissions - salesmen	5.62	5.25
Salaries - sales office clerical	1.07	1.27
Payroll taxes	0.28	0.27
Employee benefits	0.43	0.47
Advertising	0.30	0.21
Travel and entertainment	1.31	0.85
Other selling expenses	1.06	0.40
TOTAL SELLING EXPENSES	11.23	10.01

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.14%	1.67%	0.94%	2.43%
32.55	31.82	25.41	30.92
5.71	5.13	7.06	7.34
1.44	1.04	0.96	0.78
3.18	3.22	2.91	3.27
5.38	4.39	2.09	8.18
50.40	47.27	39.37	52.92
0.92	0.35	0.34	0.37
4.49	4.76	4.81	4.65
0.23	0.31	0.30	0.29
0.33	0.22	0.15	0.71
0.38	0.32	0.59	0.36
0.68	0.47	0.00	0.91
2.51	2.38	2.74	2.53
0.71	0.65	0.17	0.18
10.25	9.46	9.10	10.00
5.64	4.71	2.19	4.65
1.53	2.08	1.66	0.90
2.53	2.39	2.61	2.61
1.36	1.20	0.76	1.67
11.06	10.38	7.22	9.83
21.31	19.84	16.32	19.83
2.02	2.24	3.12	1.88
2.80	2.59	3.19	3.47
0.41	0.46	0.18	0.33
0.76	0.71	1.08	1.32
0.62	0.33	0.08	0.09
0.57	0.38	1.39	0.47
0.47	0.39	1.42	0.68
0.04	0.05	0.09	0.40
0.42	0.40	0.68	0.45
1.29	1.09	5.15	1.03
9.40	8.64	16.38	10.12
0.58	0.45	0.58	0.76
2.53	1.43	5.95	1.44
1.57	1.25	1.11	0.85
0.25	0.15	0.19	0.17
0.44	0.23	0.30	0.42
0.23	0.17	0.07	0.06
0.57	0.58	2.34	0.67
0.85	0.94	2.85	0.26
7.02	5.20	13.39	4.63

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Paper	32.10	31.61
Other chargeable materials	6.58	5.28
Outside services	7.14	5.19
TOTAL MATERIAL	45.82	42.08
FACTORY PAYROLL	25.35	25.28
FACTORY EXPENSES	11.66	9.71
TOTAL FACTORY COST OF PRODUCT	82.83	77.07
GROSS PROFIT	17.17	22.93
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	5.59	5.46
Selling expenses	6.05	5.83
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	11.64	11.29
INCOME BEFORE INTEREST EXPENSE	5.53	11.64
Interest expense	1.69	1.07
OPERATING INCOME	3.84	10.57
Other income	1.31	1.76
INCOME BEFORE INCOME TAXES	5.15	12.33

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	3.84%	2.95%
Film	0.66	0.58
Plates	0.80	0.92
Other chargeable materials	1.28	0.83
TOTAL OTHER CHARGEABLE MATERIALS	6.58	5.28
OUTSIDE SERVICES		
Composition	0.52	0.57
Offset preparation	1.94	1.79
Printing	0.94	0.76
Binding	2.16	1.52
Other outside services	1.58	0.55
TOTAL OUTSIDE SERVICES	7.14	5.19

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL ALL FIRMS	MAGAZINE AND PERIODICAL PROFIT LEADERS	CATALOG AND DIRECTORY** ALL FIRMS	BOOK** ALL FIRMS
100.00%	100.00%	100.00%	100.00%
31.79	26.40	34.61	28.54
6.48	8.03	8.76	8.95
4.16	4.04	1.33	3.57
42.43	38.47	44.70	41.06
29.11	29.06	21.98	31.06
12.11	12.07	9.00	11.65
83.65	79.60	75.68	83.77
16.35	20.40	24.32	16.23
5.46	5.43	8.72	5.88
3.99	3.15	7.48	2.77
9.45	8.58	16.20	8.65
6.90	11.82	8.12	7.58
1.52	1.17	1.29	1.14
5.38	10.65	6.83	6.44
0.80	1.25	1.55	1.39
6.18	11.90	8.38	7.83

3.85%	6.66%	5.35%	2.05%
0.74	0.37	0.62	1.68
1.12	0.54	0.76	2.55
0.77	0.46	2.03	2.67
6.48	8.03	8.76	8.95
0.19	0.13	0.00	0.42
0.92	0.80	0.37	0.09
0.71	1.21	0.03	0.62
1.05	0.81	0.34	2.43
1.29	1.09	0.59	0.01
4.16	4.04	1.33	3.57

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	1.17%	0.95%
Direct wages	15.82	16.35
General factory salaries and wages	3.43	2.85
Packing, shipping and delivery wages	0.94	1.14
Payroll taxes	1.36	1.43
Employee benefits	2.63	2.56
TOTAL FACTORY PAYROLL	25.35	25.28
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.17	0.10
Depreciation - other	2.21	2.27
Taxes - real estate	0.26	0.26
Taxes - other	0.15	0.17
Insurance	0.31	0.23
Building rent	0.84	0.53
Utilities - heat, light, etc.	1.42	1.36
Equipment rental	0.60	0.35
Total Fixed Expenses	5.96	5.27
Other Expenses		
Factory supplies and expense	2.39	2.14
Packing, shipping and delivery expense	0.98	0.65
Repairs and maintenance	1.46	0.96
Other factory expenses	0.87	0.69
Total Other Expenses	5.70	4.44
TOTAL FACTORY EXPENSES	11.66	9.71
ADMINISTRATIVE EXPENSES		
Salaries - executive	1.14	1.14
Salaries - office	1.33	1.44
Payroll taxes	0.15	0.19
Employee benefits	0.42	0.52
Bad debts	0.31	0.31
Office supplies and expenses	0.30	0.32
Professional fees	0.34	0.21
Taxes - business	0.07	0.18
Telephone	0.30	0.26
Other administrative expenses	1.23	0.89
TOTAL ADMINISTRATIVE EXPENSES	5.59	5.46
SELLING EXPENSES		
Salaries - executive	0.65	0.82
Salaries and commissions - salesmen	2.98	2.94
Salaries - sales office clerical	0.58	0.76
Payroll taxes	0.15	0.17
Employee benefits	0.23	0.28
Advertising	0.16	0.12
Travel and entertainment	0.70	0.50
Other selling expenses	0.60	0.24
TOTAL SELLING EXPENSES	6.05	5.83

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
1.20%	0.99%	0.57%	1.47%
18.75	19.62	13.95	18.15
3.33	3.12	4.05	4.34
0.80	0.62	0.54	0.44
1.86	2.03	1.60	1.92
3.17	2.68	1.27	4.74
29.11	29.06	21.98	31.06
0.54	0.21	0.21	0.21
2.58	2.93	2.55	2.76
0.14	0.18	0.18	0.16
0.19	0.14	0.09	0.41
0.21	0.20	0.30	0.21
0.36	0.33	0.00	0.55
1.45	1.48	1.49	1.50
0.39	0.37	0.10	0.11
5.86	5.84	4.92	5.91
3.19	2.82	1.33	2.75
0.86	1.18	0.91	0.52
1.43	1.52	1.38	1.48
0.77	0.71	0.46	0.99
6.25	6.23	4.08	5.74
12.11	12.07	9.00	11.65
1.17	1.42	1.77	1.11
1.65	1.62	1.68	1.97
0.24	0.29	0.11	0.19
0.46	0.46	0.57	0.75
0.34	0.21	0.05	0.05
0.32	0.25	0.70	0.28
0.27	0.25	0.73	0.41
0.02	0.03	0.05	0.24
0.25	0.25	0.35	0.27
0.74	0.65	2.71	0.61
5.46	5.43	8.72	5.88
0.34	0.28	0.36	0.46
1.40	0.84	3.43	0.89
0.90	0.72	0.56	0.50
0.14	0.09	0.12	0.10
0.26	0.14	0.18	0.24
0.13	0.10	0.03	0.03
0.32	0.36	1.21	0.40
0.50	0.62	1.59	0.15
3.99	3.15	7.48	2.77

BALANCE SHEET

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	2.80%	7.26%
Receivables	30.77	28.58
Inventories	22.67	19.02
Other current assets	5.13	11.10
TOTAL CURRENT ASSETS	61.37	65.96
FIXED ASSETS		
Real estate	10.46	9.50
Less: Accumulated depreciation	2.52	2.24
	7.94	7.26
Machinery and equipment	57.95	51.33
Less: Accumulated depreciation	33.92	31.37
	24.03	19.96
Other fixed assets	2.80	3.18
Less: Accumulated depreciation	1.61	1.44
	1.19	1.74
NET FIXED ASSETS	33.16	28.96
OTHER ASSETS	5.47	5.08
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	9.17	4.06
Accounts payable	15.26	11.81
Other current liabilities	10.42	12.93
TOTAL CURRENT LIABILITIES	34.85	28.80
LONG-TERM LIABILITIES	18.20	10.81
TOTAL LIABILITIES	53.05	39.61
SHAREHOLDERS' AND PROPRIETORS' EQUITY	46.95	60.39
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.76	2.29
QUICK RATIO	1.11	1.63
TOTAL LIABILITIES TO EQUITY	1.13	0.66
LONG-TERM LIABILITIES TO EQUITY	0.39	0.18
ACCUMULATED DEPRECIATION-MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.61

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.23%	4.71%	3.48%	2.76%
28.50	23.04	26.07	21.52
19.60	17.96	22.67	20.63
2.64	5.91	1.64	12.27
52.97	51.62	53.86	57.18
14.21	14.25	21.13	18.30
4.72	5.83	8.79	6.80
9.49	8.42	12.34	11.50
66.68	64.43	53.15	60.84
35.22	30.86	29.75	32.19
31.46	33.57	23.40	28.65
3.21	3.26	3.81	2.20
1.72	1.45	1.43	1.03
1.49	1.81	2.38	1.17
42.44	43.80	38.12	41.32
4.59	4.58	8.02	1.50
100.00	100.00	100.00	100.00
5.97	5.19	1.40	3.70
11.07	11.50	13.63	10.19
7.51	8.27	25.38	9.89
24.55	24.96	40.41	23.78
25.24	20.61	16.56	19.47
49.79	45.57	56.97	43.25
50.21	54.43	43.03	56.75
100.00	100.00	100.00	100.00
2.16	2.07	1.33	2.40
1.36	1.35	0.77	1.54
0.99	0.84	1.32	0.76
0.50	0.38	0.38	0.34
0.53	0.48	0.56	0.53

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee-All employees	$ 44,034	$ 43,819
Average assets per factory employee (Excluding Executives)	54,964	53,735
Average net worth per employee-All employees	20,654	26,856
Average gross plant investment per factory employee (Excluding Executives)	39,009	34,231
Net worth percentage of fixed assets	163.21%	218.40%
EMPLOYEES		
Percent factory-All employees	83.68%	84.70%
Percent administrative-All employees	8.50	8.80
Percent sales - All employees	7.82	6.50
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee-All employees	$ 82,937	$ 84,674
Sales per factory employee	100,287	101,369
Sales less material per factory employee	53,064	56,243
Sales per administrative employee	1,227,239	1,097,844
EXCLUDING EXECUTIVES		
Sales per employee-All employees	87,421	88,457
Sales per factory employee	103,772	104,446
Sales less material per factory employee	54,882	57,860
SALES PER SALESMAN	1,392,666	1,008,532
SALES TO CURRENT ASSETS	355%	310%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	32.97%	33.54%
Factory payroll percentage of gross plant investment	78.50	94.76
Payroll per employee-All employees	$ 26,431	$ 26,946
Payroll per factory employee	24,225	24,008
Payroll per administrative employee	29,568	32,538
Payroll per sales employee	50,143	69,561
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee-All employees	$ 21,294	$ 21,566
Payroll per factory employee	20,090	19,911
Payroll per administrative employee	15,467	15,615
Payroll per sales employee	43,227	59,606
EXECUTIVE PAYROLL		
Payroll per executive-All executives	55,261	60,702
Payroll per factory executive	34,960	37,783
Payroll per administrative executive	61,801	71,503
Payroll per sales executive	50,400	57,585
RECEIVABLES		
Collection period	58.6	53.4
PROFIT		
Gross profit percentage of sales	17.17%	22.93%
Average gross profit per factory employee	$ 18,029	$ 23,422
Income before taxes percentage of sales	5.15%	12.33%
Average income before taxes per employee	$ 4,499	$ 10,372

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 32,424	$ 35,727	$ 40,265	$ 32,667
38,674	41,650	53,513	37,246
15,880	19,325	17,898	19,189
30,719	32,753	42,151	31,132
128.70%	128.56%	110.26%	149.72%
86.45%	88.32%	76.78%	90.03%
7.98	7.42	14.77	7.28
5.57	4.26	8.45	2.69
$ 63,045	$ 61,516	$ 75,666	$ 57,774
73,100	69,952	98,499	64,196
40,653	41,675	54,816	37,601
950,838	1,056,942	524,340	831,876
66,140	64,135	80,683	60,505
75,358	71,800	100,522	66,518
41,877	42,728	56,050	38,980
2,335,660	3,878,846	0	1,815,222
401%	353%	350%	338%
35.67%	34.92%	30.77%	37.27%
74.14	65.62	52.39	75.77
$ 21,415	$ 20,804	$ 23,616	$ 21,507
20,264	19,718	21,907	19,878
26,224	28,520	21,739	32,969
35,355	31,156	40,811	46,356
$ 16,972	$ 16,618	$ 19,819	$ 15,857
16,473	16,283	18,827	15,157
13,763	14,552	11,004	18,571
30,553	26,050	39,285	33,492
40,911	42,122	43,803	51,422
35,312	34,817	16,030	45,274
54,063	56,562	44,190	70,993
38,087	40,037	19,956	67,627
52.5	50.7	50.8	39.9
16.35%	20.40%	24.32%	16.23%
$ 12,099	$ 13,989	$ 24,512	$ 10,701
6.18%	11.90%	8.38%	7.83%
$ 3,941	$ 7,185	$ 6,472	$ 4,415

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 1.51	$ 4.05
Receivables	15.60	14.21
Inventories	10.70	9.44
Marketable securities	1.15	3.65
Other current assets	1.54	3.11
	30.50	34.46
Plant Investment:		
Land and building	6.42	4.95
Machinery and equipment	29.25	26.86
Other fixed assets	1.28	1.64
	36.95	33.45
Non-Current Assets	3.22	2.78
TOTAL INVESTMENT	70.67	70.69
INVESTMENT TURNOVER PER $100 OF SALES	141.50%	141.46%
EARNINGS		
Cost of Product	$ 82.83	$ 77.07
Selling Expenses	6.05	5.83
Administrative Expenses	5.59	5.46
	94.47	88.36
Income Before Interest, Other Income, and Taxes	5.53	11.64
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.82%	16.47%

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 1.20	$ 2.81	$ 1.89	$ 1.76
13.94	13.39	13.54	10.69
9.50	10.09	12.32	11.36
0.55	1.58	0.00	6.47
0.90	1.85	0.83	1.10
26.09	29.72	28.58	31.38
7.56	7.40	11.29	11.05
33.78	36.61	28.28	35.11
1.55	1.64	1.99	1.33
42.89	45.65	41.56	47.49
2.70	3.08	4.18	0.73
71.68	78.45	74.32	79.60
139.51%	127.47%	134.55%	125.63%
$ 83.65	$ 79.60	$ 75.68	$ 83.77
3.99	3.15	7.48	2.77
5.46	5.43	8.72	5.88
93.10	88.18	91.88	92.42
6.90	11.82	8.12	7.58
9.63%	15.07%	10.93%	9.52%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.56	44.57	47.70	43.30
FACTORY EXPENSES	20.52	17.08	22.39	20.78
TOTAL FACTORY COST OF PRODUCT	68.08	61.65	70.09	64.08
GROSS PROFIT	31.92	38.35	29.91	35.92
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.40	9.12	10.09	9.40
Selling expenses	10.34	9.88	8.85	8.89
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.74	19.00	18.94	18.29
INCOME BEFORE INTEREST EXPENSE	11.18	19.35	10.97	17.63
Interest expense	2.38	0.98	3.17	2.82
OPERATING INCOME	8.80	18.37	7.80	14.81
Other income	1.11	1.46	2.32	5.09
INCOME BEFORE INCOME TAXES	9.91	19.83	10.12	19.90

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
47.79	47.07	50.80	50.40	56.28
19.15	17.45	23.81	18.77	21.63
66.94	64.52	74.61	69.17	77.91
33.06	35.48	25.39	30.83	22.09
10.52	10.83	8.93	6.14	8.17
9.08	6.97	8.20	5.44	7.25
19.60	17.80	17.13	11.58	15.42
13.46	17.68	8.26	19.25	6.67
4.35	1.99	3.03	1.61	1.31
9.11	15.69	5.23	17.64	5.36
4.44	3.34	2.83	2.13	1.43
13.55	19.03	8.06	19.77	6.79

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.36%	1.68%	1.67%	1.92%
Direct wages	30.96	26.61	28.20	29.99
General factory salaries and wages	4.99	6.64	8.84	4.32
Packing, shipping and delivery wages	1.61	1.61	1.72	1.54
Payroll taxes	2.79	2.98	2.69	2.55
Employee benefits	4.85	5.05	4.58	2.98
TOTAL FACTORY PAYROLL	47.56	44.57	47.70	43.30
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.37	0.45	0.39	0.17
Depreciation - other	3.94	3.84	4.85	4.62
Taxes - real estate	0.33	0.49	0.47	0.37
Taxes - other	0.31	0.32	0.29	0.26
Insurance	0.35	0.42	0.53	0.32
Building rent	1.47	0.48	0.59	0.71
Utilities - heat, light, etc.	2.26	2.39	2.81	2.36
Equipment rental	0.85	0.58	0.44	0.40
Total Fixed Expenses	9.88	8.97	10.37	9.21
Other Expenses				
Factory supplies and expense	4.77	4.30	4.58	4.76
Packing, shipping and delivery expense	1.16	0.91	3.34	4.49
Repairs and maintenance	2.68	1.37	2.36	1.37
Other factory expenses	2.03	1.53	1.74	0.95
Total Other Expenses	10.64	8.11	12.02	11.57
TOTAL FACTORY EXPENSES	20.52	17.08	22.39	20.78
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.17	2.19	1.61	1.91
Salaries - office	2.48	2.81	2.98	2.64
Payroll taxes	0.38	0.57	0.24	0.24
Employee benefits	0.74	0.72	0.97	0.92
Bad debts	0.43	0.13	0.42	0.51
Office supplies and expenses	0.51	0.60	0.51	0.12
Professional fees	0.53	0.32	0.49	0.14
Taxes - business	0.06	0.07	0.14	0.09
Telephone	0.49	0.40	0.59	0.63
Other administrative expenses	2.61	1.31	2.14	2.20
TOTAL ADMINISTRATIVE EXPENSES	10.40	9.12	10.09	9.40
SELLING EXPENSES				
Salaries - executive	0.74	0.60	0.60	0.42
Salaries and commissions - salesmen	5.09	4.61	4.36	5.96
Salaries - sales office clerical	1.56	1.74	1.14	1.15
Payroll taxes	0.28	0.26	0.23	0.31
Employee benefits	0.59	0.66	0.32	0.17
Advertising	0.25	0.27	0.29	0.11
Travel and entertainment	0.78	0.72	1.16	0.42
Other selling expenses	1.05	1.02	0.75	0.35
TOTAL SELLING EXPENSES	10.34	9.88	8.85	8.89

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.41%	1.99%	2.27%	2.30%	1.53%
32.92	33.37	32.66	36.44	33.17
3.68	3.56	6.30	3.65	9.40
1.85	1.64	1.23	0.54	1.19
2.78	2.51	3.18	3.28	3.31
4.15	4.00	5.16	4.19	7.68
47.79	47.07	50.80	50.40	56.28
0.27	0.28	1.68	0.41	0.38
4.71	4.53	4.32	5.07	2.99
0.36	0.33	0.34	0.31	0.35
0.51	0.29	0.22	0.05	0.18
0.58	0.41	0.71	0.21	0.40
1.09	0.73	1.20	1.00	1.08
2.55	1.86	3.31	2.63	2.59
0.13	0.11	0.65	0.47	2.24
10.20	8.54	12.43	10.15	10.21
3.70	3.53	5.75	4.70	4.51
1.75	1.51	1.39	0.84	2.53
2.72	2.74	2.66	1.71	2.65
0.78	1.13	1.58	1.37	1.73
8.95	8.91	11.38	8.62	11.42
19.15	17.45	23.81	18.77	21.63
2.56	2.89	2.00	1.29	1.30
2.62	2.52	2.50	1.52	3.07
0.35	0.38	0.29	0.15	0.32
0.58	0.61	0.92	0.79	1.07
0.88	0.87	0.87	0.60	0.09
0.46	0.35	0.32	0.25	0.38
0.55	0.53	0.51	0.47	0.31
0.27	0.37	0.13	0.00	0.05
0.59	0.40	0.38	0.30	0.49
1.66	1.91	1.01	0.77	1.09
10.52	10.83	8.93	6.14	8.17
1.35	1.53	0.69	0.47	0.53
4.34	3.49	2.88	1.46	3.35
1.04	0.37	1.05	0.81	1.24
0.30	0.18	0.29	0.10	0.18
0.40	0.27	0.34	0.25	0.56
0.14	0.10	0.18	0.11	0.11
1.10	0.61	0.91	0.50	0.88
0.41	0.42	1.86	1.74	0.40
9.08	6.97	8.20	5.44	7.25

REPORT ON OPERATIONS - SALES = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	35.93	31.22	33.36	32.80
Other chargeable materials	5.73	5.90	7.30	4.70
Outside services	6.20	5.69	5.67	4.95
TOTAL MATERIAL	47.86	42.81	46.33	42.45
FACTORY PAYROLL	24.72	25.60	25.65	25.06
FACTORY EXPENSES	10.59	9.75	11.88	11.69
TOTAL FACTORY COST OF PRODUCT	83.17	78.16	83.86	79.20
GROSS PROFIT	16.83	21.84	16.14	20.80
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.45	5.30	5.38	5.43
Selling expenses	5.42	5.58	4.75	5.29
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.87	10.88	10.13	10.72
INCOME BEFORE INTEREST EXPENSE	5.96	10.96	6.01	10.08
Interest expense	1.20	0.56	1.71	1.76
OPERATING INCOME	4.76	10.40	4.30	8.32
Other income	0.59	0.82	1.26	2.86
INCOME BEFORE INCOME TAXES	5.35	11.22	5.56	11.18

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	3.22%	4.50%	3.59%	1.73%
Film	0.72	0.33	0.79	1.83
Plates	0.91	0.51	0.82	1.14
Other chargeable materials	0.88	0.56	2.10	0.00
TOTAL OTHER CHARGEABLE MATERIALS	5.73	5.90	7.30	4.70
OUTSIDE SERVICES				
Composition	0.45	0.08	0.38	1.78
Offset preparation	1.72	1.47	1.47	2.19
Printing	0.86	0.96	1.16	0.39
Binding	1.84	1.73	1.62	0.01
Other outside services	1.33	1.45	1.04	0.58
TOTAL OUTSIDE SERVICES	6.20	5.69	5.67	4.95

** Sample insufficient for Profit Leaders.
*** Information not submitted.

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%
29.78	28.32	26.72	22.55	27.50
5.90	6.12	7.42	12.35	6.67
5.07	2.41	5.29	1.19	2.28
40.75	36.85	39.43	36.09	36.45
28.56	29.71	30.86	32.18	35.92
11.04	11.00	14.21	12.03	13.82
80.35	77.56	84.50	80.30	86.19
19.65	22.44	15.50	19.70	13.81
6.36	6.99	5.48	3.97	5.18
5.14	4.39	4.93	3.48	4.72
11.50	11.38	10.41	7.45	9.90
8.15	11.06	5.09	12.25	3.91
2.34	1.28	1.81	1.05	0.89
5.81	9.78	3.28	11.20	3.02
2.47	2.17	1.63	1.41	0.96
8.28	11.95	4.91	12.61	3.98

3.35%	2.76%	5.04%	11.00%	3.09%
0.77	1.08	0.68	0.30	1.54
1.11	1.27	1.05	0.85	1.74
0.67	1.01	0.65	0.20	0.30
5.90	6.12	7.42	12.35	6.67
0.64	0.53	0.23		0.74
1.40	0.84	2.23		0.56
0.91	0.35	0.18		0.06
1.13	0.53	0.35		0.21
0.99	0.16	2.30		0.71
5.07	2.41	5.29	***	2.28

SUPPORTING SCHEDULES - SALES = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.19%	0.94%	0.89%	1.10%
Direct wages	16.01	15.28	15.24	17.44
General factory salaries and wages	2.61	3.76	4.65	2.43
Packing, shipping and delivery wages	0.85	0.91	0.94	0.93
Payroll taxes	1.50	1.79	1.46	1.48
Employee benefits	2.56	2.92	2.47	1.68
TOTAL FACTORY PAYROLL	24.72	25.60	25.65	25.06
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.20	0.26	0.20	0.09
Depreciation - other	2.04	2.19	2.58	2.51
Taxes - real estate	0.17	0.27	0.25	0.22
Taxes - other	0.17	0.19	0.17	0.16
Insurance	0.18	0.24	0.28	0.19
Building rent	0.74	0.26	0.34	0.45
Utilities - heat, light, etc.	1.17	1.35	1.49	1.33
Equipment rental	0.45	0.34	0.24	0.25
Total Fixed Expenses	5.12	5.10	5.55	5.20
Other Expenses				
Factory supplies and expense	2.49	2.43	2.45	2.71
Packing, shipping and delivery expense	0.60	0.52	1.73	2.45
Repairs and maintenance	1.33	0.77	1.23	0.78
Other factory expenses	1.05	0.93	0.92	0.55
Total Other Expenses	5.47	4.65	6.33	6.49
TOTAL FACTORY EXPENSES	10.59	9.75	11.88	11.69
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.15	1.27	0.86	1.06
Salaries - office	1.32	1.61	1.60	1.49
Payroll taxes	0.21	0.35	0.13	0.14
Employee benefits	0.39	0.43	0.51	0.54
Bad debts	0.22	0.07	0.22	0.29
Office supplies and expenses	0.28	0.36	0.26	0.07
Professional fees	0.28	0.19	0.26	0.08
Taxes - business	0.03	0.04	0.08	0.05
Telephone	0.25	0.22	0.32	0.37
Other administrative expenses	1.32	0.76	1.14	1.34
TOTAL ADMINISTRATIVE EXPENSES	5.45	5.30	5.38	5.43
SELLING EXPENSES				
Salaries - executive	0.40	0.35	0.32	0.22
Salaries and commissions - salesmen	2.59	2.51	2.38	3.66
Salaries - sales office clerical	0.87	1.03	0.59	0.62
Payroll taxes	0.15	0.16	0.13	0.19
Employee benefits	0.32	0.38	0.17	0.10
Advertising	0.13	0.15	0.15	0.06
Travel and entertainment	0.40	0.39	0.61	0.24
Other selling expenses	0.56	0.61	0.40	0.20
TOTAL SELLING EXPENSES	5.42	5.58	4.75	5.29

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.41%	1.20%	1.38%	1.46%	0.95%
19.83	21.30	19.84	23.27	21.24
2.14	2.18	3.83	2.36	5.86
1.10	1.02	0.71	0.33	0.77
1.66	1.58	1.94	2.11	2.10
2.42	2.43	3.16	2.65	5.00
28.56	29.71	30.86	32.18	35.92
0.17	0.18	1.00	0.26	0.24
2.73	2.91	2.60	3.26	1.92
0.21	0.21	0.20	0.19	0.23
0.28	0.18	0.13	0.03	0.13
0.32	0.26	0.42	0.14	0.27
0.59	0.48	0.72	0.68	0.72
1.44	1.18	1.98	1.68	1.59
0.09	0.07	0.37	0.28	1.49
5.83	5.47	7.42	6.52	6.59
2.13	2.14	3.46	3.02	2.94
1.00	0.95	0.82	0.51	1.58
1.60	1.74	1.59	1.07	1.70
0.48	0.70	0.92	0.91	1.01
5.21	5.53	6.79	5.51	7.23
11.04	11.00	14.21	12.03	13.82
1.57	1.86	1.23	0.83	0.85
1.58	1.66	1.57	0.97	1.89
0.21	0.25	0.18	0.10	0.20
0.36	0.40	0.57	0.54	0.70
0.48	0.52	0.52	0.39	0.06
0.26	0.22	0.19	0.16	0.22
0.35	0.35	0.31	0.30	0.20
0.18	0.25	0.08	0.00	0.03
0.34	0.27	0.23	0.20	0.31
1.03	1.21	0.60	0.48	0.72
6.36	6.99	5.48	3.97	5.18
0.85	1.01	0.40	0.29	0.35
2.43	2.18	1.67	0.88	2.21
0.55	0.22	0.65	0.50	0.78
0.17	0.11	0.18	0.06	0.11
0.22	0.17	0.21	0.16	0.38
0.08	0.06	0.11	0.07	0.08
0.59	0.38	0.53	0.32	0.55
0.25	0.26	1.18	1.20	0.26
5.14	4.39	4.93	3.48	4.72

BALANCE SHEET

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.38%	8.02%	2.57%	4.57%
Receivables	30.40	20.39	27.49	30.23
Inventories	21.20	22.06	27.09	27.50
Other current assets	3.05	5.92	3.88	7.65
TOTAL CURRENT ASSETS	58.03	56.39	61.03	69.95
FIXED ASSETS				
Real estate	14.15	19.09	10.36	5.57
Less: Accumulated depreciation	4.18	8.09	3.13	1.08
	9.97	11.00	7.23	4.49
Machinery and equipment	56.84	59.24	49.19	43.04
Less: Accumulated depreciation	33.26	36.85	24.43	19.54
	23.58	22.39	24.76	23.50
Other fixed assets	3.22	3.98	2.64	2.66
Less: Accumulated depreciation	1.70	2.13	1.19	1.04
	1.52	1.85	1.45	1.62
NET FIXED ASSETS	35.07	35.24	33.44	29.61
OTHER ASSETS	6.90	8.37	5.53	0.44
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.36	3.76	4.60	4.87
Accounts payable	13.00	9.07	13.84	12.11
Other current liabilities	9.29	14.67	10.16	6.37
TOTAL CURRENT LIABILITIES	28.65	27.50	28.60	23.35
LONG-TERM LIABILITIES	20.15	12.25	24.27	21.66
TOTAL LIABILITIES	48.80	39.75	52.87	45.01
SHAREHOLDERS' AND PROPRIETORS' EQUITY	51.20	60.25	47.13	54.99
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.03	2.05	2.13	3.00
QUICK RATIO	1.29	1.25	1.19	1.82
TOTAL LIABILITIES TO EQUITY	0.95	0.66	1.12	0.82
LONG-TERM LIABILITIES TO EQUITY	0.39	0.20	0.51	0.39
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.62	0.50	0.45

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
3.02%	5.33%	2.23%	4.43%	2.47%
28.29	24.20	27.81	22.24	29.06
18.48	17.42	16.26	13.10	26.61
7.71	12.20	2.65	6.53	1.74
57.50	59.15	48.95	46.30	59.88
14.22	15.25	13.78	13.74	19.09
3.83	5.03	4.03	3.98	6.22
10.39	10.22	9.75	9.76	12.87
59.12	56.67	75.44	63.57	65.65
31.31	31.36	41.58	25.88	39.70
27.81	25.31	33.86	37.69	25.95
3.16	2.28	3.07	1.76	1.49
1.98	1.36	2.24	0.76	0.96
1.18	0.92	0.83	1.00	0.53
39.38	36.45	44.44	48.45	39.35
3.12	4.40	6.61	5.25	0.77
100.00	100.00	100.00	100.00	100.00
9.53	3.70	6.94	3.24	9.77
13.61	10.96	12.38	7.47	12.40
12.54	16.30	10.31	10.90	9.66
35.68	30.96	29.63	21.61	31.83
22.39	16.83	21.19	18.22	10.87
58.07	47.79	50.82	39.83	42.70
41.93	52.21	49.18	60.17	57.30
100.00	100.00	100.00	100.00	100.00
1.61	1.91	1.65	2.14	1.88
1.09	1.35	1.10	1.54	1.05
1.38	0.92	1.03	0.66	0.75
0.53	0.32	0.43	0.30	0.19
0.53	0.55	0.55	0.41	0.60

SIGNIFICANT FACTS

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 43,081	$ 45,736	$ 41,533	$ 43,386
Average assets per factory employee (Excluding Executives)	53,956	58,934	49,587	51,41
Average net worth per employee - All employees	21,375	26,635	19,716	25,566
Average gross plant investment per factory employee (Excluding Executives)	38,923	44,558	31,989	28,94
Net worth percentage of fixed assets	163.37%	183.22%	148.57%	221.75
EMPLOYEES				
Percent factory - All employees	83.30%	80.92%	85.67%	86.2
Percent administrative - All employees	8.94	11.16	8.28	7.9
Percent sales - All employees	7.76	7.92	6.05	5.8
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 80,588	$ 85,260	$ 77,880	$ 84,444
Sales per factory employee	97,242	106,537	90,985	97,055
Sales less material per factory employee	49,853	59,267	48,037	54,059
Sales per administrative employee	1,116,913	906,938	1,213,858	1,199,86
EXCLUDING EXECUTIVES				
Sales per employee - All employees	85,596	90,431	80,572	87,530
Sales per factory employee	101,148	110,510	93,039	99,68
Sales less material per factory employee	51,810	61,382	49,139	55,559
SALES PER SALESMAN	1,572,081	988,854	2,045,909	2,086,96
SALES TO CURRENT ASSETS	377%	345%	365%	28
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	32.13%	33.69%	32.35%	33.08
Factory payroll percentage of gross plant investment	76.52	60.58	82.89	145.24
Payroll per employee - All employees	$ 25,123	$ 27,829	$ 24,585	$ 26,41
Payroll per factory employee	23,299	26,023	22,614	23,129
Payroll per administrative employee	26,230	26,946	29,828	34,228
Payroll per sales employee	46,674	54,089	46,019	66,31
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 20,347	$ 22,395	$ 20,109	$ 22,22
Payroll per factory employee	19,180	21,195	18,935	19,94
Payroll per administrative employee	13,865	14,474	16,697	19,09
Payroll per sales employee	41,277	48,417	40,582	61,42
EXECUTIVE PAYROLL				
Payroll per executive - All executives	38,748	32,111	53,038	59,56
Payroll per factory executive	30,660	28,957	39,941	44,58
Payroll per administrative executive	47,224	39,862	61,704	75,15
Payroll per sales executive	34,552	27,730	42,910	51,98
RECEIVABLES				
Collection period	54.2	40.8	55.7	57.
PROFIT				
Gross profit percentage of sales	16.83%	21.84%	16.14%	20.8
Average gross profit per factory employee	$ 17,110	$ 24,088	$ 15,276	$ 20,69
Income before taxes percentage of sales	5.35%	11.22%	5.56%	11.1
Average income before taxes per employee	$ 4,435	$ 9,507	$ 4,628	$ 10,25

** Sample insufficient for Profit Leaders.

BEST AVAILABLE COPY

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 37,299	$ 33,130	$ 36,721	$ 35,639	$ 24,736
46,642	37,962	43,785	39,570	28,348
15,043	17,835	19,409	21,887	12,957
34,940	27,433	37,542	31,890	22,681
114.84%	151.60%	113.65%	124.52%	155.84%
85.13%	89.19%	87.51%	93.16%	88.51%
7.62	7.07	7.37	4.31	6.77
7.25	3.74	5.12	2.53	4.72
$ 65,643	$ 55,731	$ 65,290	$ 55,235	$ 52,770
79,666	62,475	74,996	59,452	59,672
44,440	39,342	44,155	37,194	37,579
941,102	943,332	1,047,051	1,348,986	805,611
69,172	58,221	68,611	57,369	54,202
82,470	64,026	77,834	61,385	60,649
45,940	40,262	45,831	38,401	38,175
764,561	923,265	2,725,666	6,064,868	1,700,942
333%	319%	389%	334%	404%
36.50%	37.56%	37.54%	36.51%	43.39%
72.96	74.28	63.61	63.01	99.14
$ 22,387	$ 20,833	$ 23,411	$ 19,869	$ 22,224
20,490	18,507	21,934	18,767	20,705
29,246	31,072	29,482	28,904	28,818
46,963	56,803	36,978	31,721	43,032
$ 17,977	$ 16,521	$ 18,533	$ 16,028	$ 17,397
17,262	15,700	17,965	15,576	16,492
14,797	14,153	14,604	14,466	17,043
38,417	46,098	31,198	26,455	36,713
57,050	67,804	54,835	40,203	41,782
34,990	37,213	36,364	35,821	20,730
70,600	82,364	72,760	66,043	50,022
59,808	65,470	48,309	52,651	39,960
58.1	50.5	55.8	55.2	54.3
19.65%	22.44%	15.50%	19.70%	13.81%
$ 15,273	$ 14,183	$ 12,112	$ 11,848	$ 8,382
8.28%	11.95%	4.91%	12.61%	3.98%
$ 4,948	$ 6,747	$ 3,390	$ 6,862	$ 2,174

RETURN ON INVESTMENT - PER $100 OF SALES

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.72	$ 4.35	$ 1.49	$ 2.64
Receivables	14.44	10.88	14.76	15.01
Inventories	10.10	11.80	12.30	13.71
Marketable securities	0.47	1.66	0.64	0.00
Other current assets	1.14	1.76	1.41	3.85
	27.87	30.45	30.60	35.21
Plant Investment:				
Land and building	8.19	9.69	6.26	3.07
Machinery and equipment	27.80	31.16	27.48	23.37
Other fixed assets	1.42	1.92	1.46	1.32
	37.41	42.77	35.20	27.76
Non-Current Assets	4.00	4.75	3.38	0.26
TOTAL INVESTMENT	69.28	77.97	69.18	63.23
INVESTMENT TURNOVER PER $100 OF SALES	144.34%	128.25%	144.55%	158.15%
EARNINGS				
Cost of Product	$ 83.17	$ 78.16	$ 83.86	$ 79.20
Selling Expenses	5.42	5.58	4.75	5.29
Administrative Expenses	5.45	5.30	5.38	5.43
	94.04	89.04	93.99	89.92
Income Before Interest, Other Income, and Taxes	5.96	10.96	6.01	10.08
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.60%	14.06%	8.69%	15.94%

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 1.79	$ 3.30	$ 1.25	$ 2.90	$ 1.36
15.43	13.16	14.83	14.69	14.59
10.01	9.52	8.88	8.49	10.84
3.61	5.77	0.93	3.72	0.27
2.05	3.22	0.55	0.44	0.57
32.89	34.97	26.44	30.24	27.63
7.30	8.27	8.65	8.74	10.11
32.38	32.12	39.91	41.50	27.59
1.70	1.40	1.28	1.12	0.68
41.38	41.79	49.84	51.36	38.38
1.98	2.89	3.80	3.55	0.37
76.25	79.65	80.08	85.15	66.38
131.15%	125.55%	124.88%	117.44%	150.65%
$ 80.35	$ 77.56	$ 84.50	$ 80.30	$ 86.19
5.14	4.39	4.93	3.48	4.72
6.36	6.99	5.48	3.97	5.18
91.85	88.94	94.91	87.75	96.09
8.15	11.06	5.09	12.25	3.91
10.69%	13.89%	6.36%	14.39%	5.89%

ABSOLUTE DATA HEATSET WEB

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	80	$11,368,000	$21,623,000	$1,410,000
TOTAL - PROFIT LEADERS*	22	12,103,000	22,486,000	2,698,000
BY SIZE OF FIRM				
ALL FIRMS				
$1,500,000-$5,000,000	5	2,021,000	3,972,000	122,000
$5,000,000-$10,000,000	17	4,238,000	7,335,000	278,000
$10,000,000-$20,000,000	26	7,270,000	13,915,000	989,000
Over $20,000,000	32	19,947,000	38,233,000	2,554,000
PROFIT LEADERS				
$5,000,000-$10,000,000	2	4,620,000	8,511,000	939,000
$10,000,000-$20,000,000	10	7,852,000	13,454,000	1,800,000
Over $20,000,000	9	19,483,000	37,649,000	4,330,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	40	10,107,000	18,917,000	1,181,000
Magazine and Periodical	28	13,264,000	26,308,000	1,753,000
Catalog and Directory	2	10,067,000	19,048,000	1,539,000
Book	4	8,729,000	16,586,000	1,431,000
PROFIT LEADERS				
Commercial and Advertising	10	10,324,000	20,192,000	2,589,000
Magazine and Periodical	9	13,711,000	24,778,000	2,797,000
BY PERCENTAGE OF PAPER SUPPLIED				
ALL FIRMS				
0% To 11%	25	10,653,000	21,194,000	1,272,000
11% To 21%	13	13,762,000	25,231,000	1,893,000
21% To 41%	8	7,443,000	13,583,000	1,145,000
41% To 61%	12	12,996,000	22,535,000	1,196,000
Over 61%	4	27,519,000	53,122,000	3,674,000
PROFIT LEADERS				
0% To 11%	7	12,317,000	24,017,000	2,582,000
11% To 21%	3	17,280,000	33,509,000	4,456,000
21% To 41%	5	7,816,000	13,833,000	1,671,000
41% To 61%	3	16,529,000	25,757,000	3,176,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 34.

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

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58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
Quick Printers

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Dear Quick Printers:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR QUICK PRINTERS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of quick printers by size and area.

Thus, the user of the report can direct himself to the standards for his size and area in the Report on Operations and its Supporting Schedules based on Sales, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 32 quick printing firms. This is in comparison to 21 firms in 1980 and represents a 32% increase in the number of participating firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

TABLE OF CONTENTS

Page Number

FOREWORD.. 2

LETTER FROM T. RANDOLPH SHINGLER.. 5

CHAPTER 1 - BY SIZE OF FIRM.. 6-15
    Report on Operations - Sales = 100%.............................. 6- 7
    Supporting Schedules - Sales = 100%.............................. 6- 9
    Balance Sheet.. 10-11
    Significant Facts.. 12-13
    Return on Investment Chart - Per $100 of Sales - All Firms Reporting... 14
    Return on Investment - Per $100 of Sales - By Size of Firm............ 15

CHAPTER 2 - BY METROPOLITAN AND NON-METROPOLITAN AREA..................... 16-20
    Report on Operations - Sales = 100%.............................. 16
    Supporting Schedules - Sales = 100%.............................. 16-17
    Balance Sheet.. 18
    Significant Facts.. 19
    Return on Investment - Per $100 of Sales.............................. 20

ABSOLUTE DATA.. 21

BASIC GUIDE TO USING YOUR QUICK PRINTERS' RATIO STUDY...................... 22-23

PROFESSIONAL MANAGEMENT EDUCATION FOR THE PROFESSIONAL QUICK PRINTER....... 24

Dear Quick Printer:

I'd like to first of all, thank the quick printing business professionals who participated in the 1981 PIA Quick Printers' Ratio Study. The analyses used to appraise the information you submitted evolved from more than 50 years of close work with the graphic communications industry and utilizes accepted accounting principles.

The financial data in this study can be an invaluable tool for serious money managers to evaluate their business strengths and weaknesses. The purpose of this ratio study is to give quick printers a focal point to compare their operations with their peers in sales volume and market.

If you are unfamiliar with how to utilize this study, refer to pages 22 and 23 for a basic guide. A more specific guide, going step-by-step through a sample firm evaluation, is available in the first volume of the PIA Ratio Studies if you decide you would like to perform a detailed analysis of your business.

Also for quick printers, Printing Industries of America, Inc. has formed a special industry group...the American Quick Printing Association (AQPA). AQPA was established to service the unique management problems and interests of the quick printing industry. AQPA's main objective is to provide a professional approach to management education in the quick printing industry and being acutely aware of the need for reliable financial information about the industry, endeavors to promote increased participation in the ratio study.

If you would like more information concerning the American Quick Printing Association, Printing Industries of America, Inc. or would like to be a part of next year's Quick Printers' Ratio Study please feel free to contact Cheryl A. Van Vliet, Associate Director of AQPA or me.

Sincerely,

T. Randolph Shingler

T. Randolph Shingler
Executive Director
American Quick Printing Association

CHAPTER 1 - BY SIZE OF FIRM

Report On Operations - Sales = 100%

	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	17.33	16.87	17.56	17.42
Other chargeable materials	5.00	3.87	4.68	4.82
Outside services	5.76	4.56	6.07	4.41
TOTAL MATERIAL	28.09	25.30	28.31	26.65
FACTORY PAYROLL	23.00	23.79	23.05	24.70
FACTORY EXPENSES	20.05	17.68	20.10	15.88
TOTAL FACTORY COST OF PRODUCT	71.14	66.77	71.46	67.23
GROSS PROFIT	28.86	33.23	28.54	32.77
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.60	12.80	14.32	10.65
Selling expenses	5.97	5.81	5.88	6.08
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.57	18.61	20.20	16.73
INCOME BEFORE INTEREST EXPENSE	8.29	14.62	8.34	16.04
Interest expense	1.28	1.35	1.39	1.88
OPERATING INCOME	7.01	13.27	6.95	14.16
Other income (expense)	0.30	0.02	(0.28)	(0.75)
INCOME BEFORE INCOME TAXES	7.31	13.29	6.67	13.41

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	1.80%	1.02%	1.94%	1.53%
Film	0.50	0.28	0.32	0.48
Plates	1.91	1.87	2.02	2.33
Other chargeable materials	0.79	0.70	0.40	0.48
TOTAL OTHER CHARGEABLE MATERIALS	5.00	3.87	4.68	4.82
OUTSIDE SERVICES				
Composition	1.41	1.23	1.12	0.96
Offset preparation	0.19	0.15	0.27	0.17
Printing	0.98	1.22	1.61	1.36
Binding	1.71	0.77	1.29	0.60
Other outside services	1.47	1.19	1.78	1.32
TOTAL OUTSIDE SERVICES	5.76	4.56	6.07	4.41

---

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

*** Information not submitted.

SALES FROM $250,000-$500,000		SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
17.92	15.13	17.01	14.45
4.75	1.82	6.71	5.35
6.23	4.94	6.19	1.59
28.90	21.89	29.91	21.39
21.12	21.38	24.57	25.39
18.47	22.81	22.86	26.99
68.49	66.08	77.34	73.77
31.51	33.92	22.66	26.23
16.18	15.40	10.34	13.89
6.48	6.69	4.95	8.23
22.66	22.09	15.29	22.12
8.85	11.83	7.37	4.11
0.83	1.00	1.66	2.29
8.02	10.83	5.71	1.82
0.70	1.28	2.40	0.45
8.72	12.11	8.11	2.27

		1.14%	2.89%
		2.53	1.03
		0.00	1.43
		3.04	0.00
***	***	6.71	5.35
2.74%	2.61%	1.23	1.59
0.18	0.00	0.00	0.00
0.34	0.27	0.00	0.00
2.79	1.74	2.47	0.00
0.18	0.32	2.49	0.00
6.23	4.94	6.19	1.59

CHAPTER 1 - BY SIZE OF FIRM

Supporting Schedules - Sales = 100%

	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.41%	1.90%	3.01%	1.38%
Direct wages	15.53	18.00	15.76	18.89
General factory salaries and wages	2.75	1.25	2.24	2.24
Packing, shipping and delivery wages	0.35	0.53	0.27	0.23
Payroll taxes	1.36	1.23	1.26	1.36
Employee benefits	0.60	0.88	0.51	0.60
TOTAL FACTORY PAYROLL	23.00	23.79	23.05	24.70
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.01	0.00	0.00	0.00
Depreciation - other	3.91	2.85	4.47	2.66
Taxes - real estate	0.01	0.00	0.00	0.00
Taxes - other	0.22	0.30	0.19	0.38
Insurance	1.03	0.89	1.09	1.04
Building rent	4.27	3.63	5.25	4.31
Utilities - heat, light, etc.	0.97	0.96	1.17	1.24
Equipment rental	4.82	4.56	4.25	4.03
Total Fixed Expenses	15.24	13.19	16.42	13.66
Other Expenses				
Factory supplies and expense	1.73	1.84	1.27	0.90
Packing, shipping and delivery expense	0.64	0.36	0.76	0.23
Repairs and maintenance	1.78	1.81	1.11	0.64
Other factory expenses	0.66	0.48	0.54	0.45
Total Other Expenses	4.81	4.49	3.68	2.22
TOTAL FACTORY EXPENSES	20.05	17.68	20.10	15.88
ADMINISTRATIVE EXPENSES				
Salaries - executive	5.69	4.27	6.23	4.97
Salaries - office	2.60	3.23	1.65	1.33
Payroll taxes	0.40	0.29	0.26	0.19
Employee benefits	0.66	0.68	0.62	0.31
Bad debts	0.39	0.41	0.28	0.25
Office supplies and expenses	0.68	0.78	0.49	0.37
Professional fees	1.24	1.13	1.24	1.31
Taxes - business	0.43	0.22	0.43	0.17
Telephone	0.89	0.88	0.96	0.97
Other administrative expenses	1.62	0.91	2.16	0.78
TOTAL ADMINISTRATIVE EXPENSES	14.60	12.80	14.32	10.65
SELLING EXPENSES				
Salaries - executive	0.61	1.12	1.15	2.11
Salaries and commissions - salesmen	0.86	1.16	0.17	0.12
Salaries - sales office clerical	0.42	0.17	0.18	0.33
Payroll taxes	0.08	0.13	0.05	0.09
Employee benefits	0.04	0.05	0.02	0.00
Advertising	1.90	1.87	2.05	2.21
Travel and entertainment	0.90	1.13	0.85	1.22
Other selling expenses	1.16	0.18	1.41	0.00
TOTAL SELLING EXPENSES	5.97	5.81	5.88	6.08

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000 ALL FIRMS	SALES FROM $250,000-$500,000 PROFIT LEADERS	SALES FROM $500,000-$1,500,000** ALL FIRMS	SALES FROM $1,500,000-$5,000,000** ALL FIRMS
1.85%	1.60%	0.39%	0.00%
14.71	17.17	17.16	14.32
2.24	0.15	3.99	8.82
0.00	0.00	1.16	0.20
1.54	1.26	1.23	1.58
0.78	1.20	0.64	0.47
21.12	21.38	24.57	25.39
0.00	0.00	0.00	0.13
3.07	3.90	2.60	6.30
0.00	0.00	0.00	0.16
0.13	0.12	0.33	0.39
0.97	0.91	0.83	1.46
2.65	2.67	4.38	3.65
0.68	0.69	0.90	0.99
5.10	6.29	7.26	7.22
12.60	14.58	16.30	20.30
2.49	3.94	3.23	0.43
0.16	0.07	0.68	1.06
2.83	3.92	1.01	4.37
0.39	0.30	1.64	0.83
5.87	8.23	6.56	6.69
18.47	22.81	22.86	26.99
5.51	2.64	2.75	4.23
3.99	6.24	3.40	2.93
0.68	0.51	0.27	0.55
1.01	1.46	0.18	0.30
0.47	0.60	0.40	0.63
0.65	0.88	1.48	1.36
1.51	0.81	0.84	0.52
0.30	0.27	0.25	1.37
0.97	0.98	0.26	1.22
1.09	1.01	0.51	0.73
16.18	15.40	10.34	13.89
0.00	0.00	0.00	0.00
1.56	2.80	1.36	3.20
1.14	0.00	0.00	0.00
0.13	0.24	0.02	0.23
0.08	0.14	0.00	0.15
1.63	1.76	1.45	2.83
1.25	1.44	0.07	1.47
0.69	0.31	2.05	0.35
6.48	6.69	4.95	8.23

Balance Sheet

	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	13.15%	12.48%	14.94%	12.60%
Receivables	22.38	23.06	17.14	20.63
Inventories	9.45	11.36	10.36	13.96
Other current assets	4.19	7.47	4.32	7.78
TOTAL CURRENT ASSETS	49.17	54.37	46.76	54.97
FIXED ASSETS				
Real estate	1.23	0.71	1.21	0.97
Less: Accumulated depreciation	0.13	0.00	0.13	0.00
	1.10	0.71	1.08	0.97
Machinery and equipment	63.05	57.12	66.79	59.29
Less: Accumulated depreciation	23.97	22.57	22.77	23.83
	39.08	34.55	44.02	35.46
Other fixed assets	10.66	10.33	10.69	14.25
Less: Accumulated depreciation	2.89	4.93	3.70	6.76
	7.77	5.40	6.99	7.49
NET FIXED ASSETS	47.95	40.66	52.09	43.92
OTHER ASSETS	2.88	4.97	1.15	1.11
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	7.71	10.00	8.90	11.65
Accounts payable	14.07	10.34	13.55	8.40
Other current liabilities	5.89	8.40	5.33	8.61
TOTAL CURRENT LIABILITIES	27.67	28.74	27.78	28.66
LONG-TERM LIABILITIES	25.05	24.85	21.64	28.19
TOTAL LIABILITIES	52.72	53.59	49.42	56.85
SHAREHOLDERS' AND PROPRIETORS' EQUITY	47.28	46.41	50.58	43.15
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

Balance Sheet Ratios

	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
CURRENT RATIO	1.77	1.89	1.68	1.92
QUICK RATIO	1.44	1.50	1.31	1.43
TOTAL LIABILITIES TO EQUITY	1.12	1.15	0.98	1.32
LONG-TERM LIABILITIES TO EQUITY	0.53	0.54	0.43	0.65
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.38	0.40	0.34	0.40

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000		SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
16.91%	17.51%	(0.02)%	5.20%
26.64	21.16	35.04	25.76
8.22	6.90	10.52	7.91
2.11	2.69	6.52	1.60
53.88	48.26	52.06	40.47
0.00	0.00	0.00	7.91
0.00	0.00	0.00	0.89
0.00	0.00	0.00	7.02
63.89	66.23	33.61	90.57
25.86	24.28	15.17	41.40
38.03	41.95	18.44	49.17
4.59	3.39	32.79	3.46
0.94	0.59	3.52	0.72
3.65	2.80	29.27	2.74
41.68	44.75	47.71	58.93
4.44	6.99	0.23	0.60
100.00	100.00	100.00	100.00
7.48	10.62	0.28	11.78
10.37	6.53	18.33	14.65
4.99	5.53	10.24	7.14
22.84	22.68	28.85	33.57
25.88	28.58	45.52	29.93
48.72	51.26	74.37	63.50
51.28	48.74	25.63	36.50
100.00	100.00	100.00	100.00
2.36	2.13	1.80	1.21
2.00	1.82	1.44	0.97
0.95	1.05	2.90	1.74
0.50	0.59	1.78	0.82
0.40	0.37	0.45	0.46

CHAPTER 1 - BY SIZE OF FIRM

Significant Facts

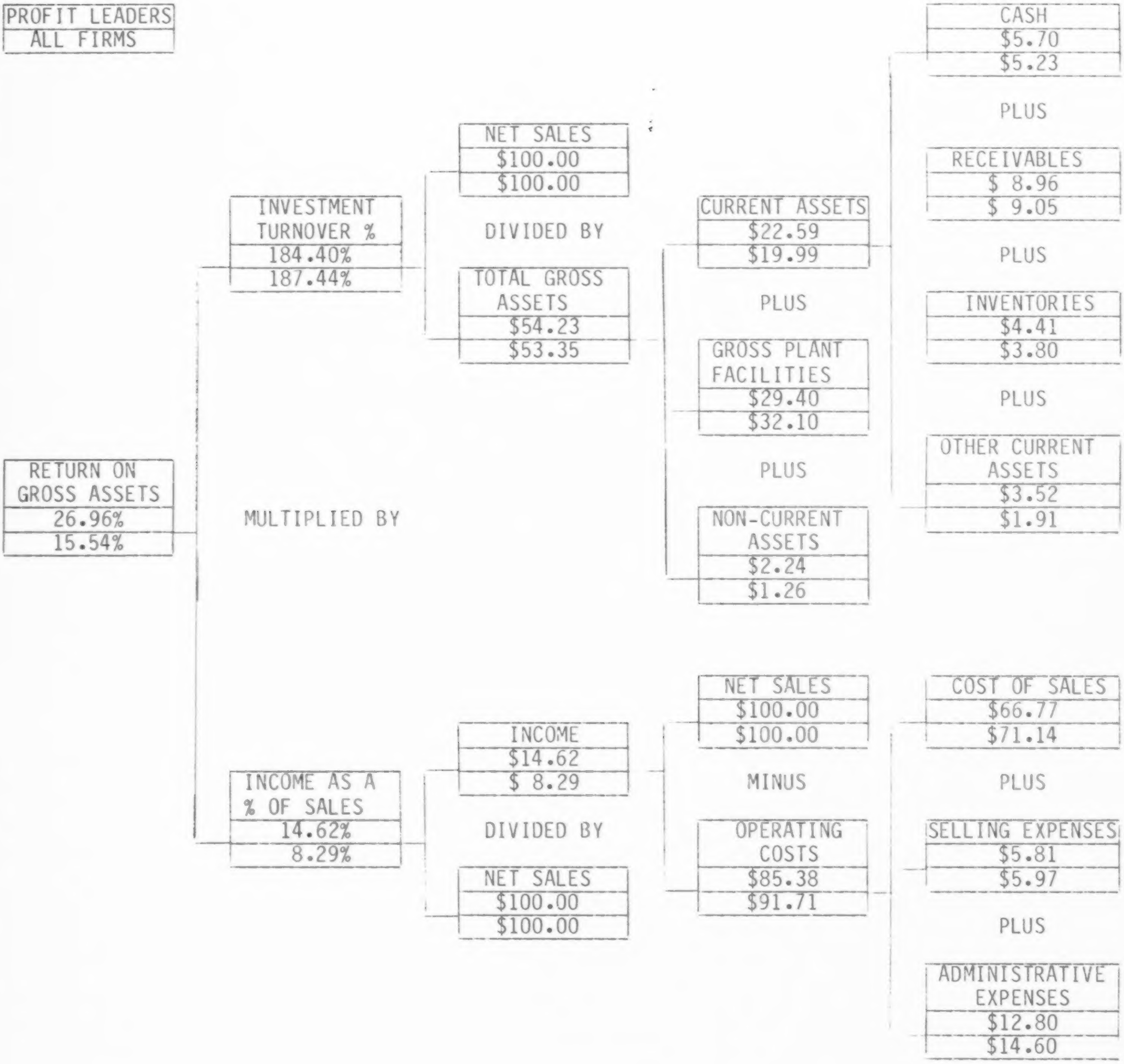
	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 17,873	$ 16,032	$ 19,509	$ 16,638
Average assets per factory employee (Excluding Executives)	26,637	23,228	29,852	23,062
Average net worth per employee - All employees	9,524	7,314	11,897	6,968
Average gross plant investment per factory employee (Excluding Executives)	19,933	15,424	23,899	16,923
Net worth percentage of fixed assets	127.87%	164.20%	120.48%	149.05%
EMPLOYEES				
Percent factory - All employees	74.30%	74.77%	74.20%	76.81%
Percent administrative - All employees	20.99	18.90	22.11	16.59
Percent sales - All employees	4.71	6.33	3.69	6.60
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 41,811	$ 38,522	$ 43,589	$ 37,110
Sales per factory employee	60,060	53,655	64,011	49,664
Sales less material per factory employee	42,978	40,065	45,746	36,364
Sales per administrative employee	240,769	208,724	250,111	209,091
EXCLUDING EXECUTIVES				
Sales per employee - All employees	51,718	46,027	57,233	47,192
Sales per factory employee	64,964	56,254	71,139	51,513
Sales less material per factory employee	46,442	42,072	50,774	37,747
SALES PER SALESMAN	40,000	0	0	0
SALES TO CURRENT ASSETS	578%	505%	633%	494%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	34.36%	34.91%	33.37%	34.16%
Factory payroll percentage of gross plant investment	85.44	96.36	81.53	85.59
Payroll per employee - All employees	$ 14,116	$ 13,413	$ 14,090	$ 12,467
Payroll per factory employee	12,478	11,966	12,849	11,642
Payroll per administrative employee	17,947	16,908	15,924	13,539
Payroll per sales employee	7,658	10,262	5,956	9,654
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 10,909	$ 10,913	$ 10,603	$ 10,268
Payroll per factory employee	10,803	10,479	11,130	10,538
Payroll per administrative employee	7,590	7,706	4,133	2,930
Payroll per sales employee	5,952	6,898	3,231	3,958
EXECUTIVE PAYROLL				
Payroll per executive - All executives	18,946	14,814	16,030	12,133
Payroll per factory executive	8,281	9,156	8,052	7,161
Payroll per administrative executive	21,481	22,874	15,318	12,083
Payroll per sales executive	3,033	4,919	5,709	9,224
RECEIVABLES				
Collection period	33.9	33.4	26.9	32.0
PROFIT				
Gross profit percentage of sales	28.86%	33.23%	28.54%	32.77%
Average gross profit per factory employee	$ 19,758	$ 19,709	$ 21,220	$ 17,334
Income before taxes percentage of sales	7.31%	13.29%	6.67%	13.41%
Average income before taxes per employee	$ 2,991	$ 5,134	$ 2,722	$ 4,940

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000		SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 15,456	$ 14,877	$ 19,504	$ 12,359
23,936	24,034	24,320	15,701
8,119	7,322	3,943	5,059
15,368	15,748	16,963	16,048
142.05%	129.51%	106.88%	60.61%
70.44%	67.72%	80.90%	76.97%
23.16	24.75	15.91	12.99
6.40	7.53	3.19	10.04
$ 40,297	$ 37,593	$ 42,424	$ 31,475
60,355	59,392	52,354	41,032
42,748	46,229	36,619	32,263
195,769	154,329	276,706	268,696
47,632	41,795	44,796	32,939
63,026	61,890	52,823	41,032
44,603	48,304	36,939	32,263
0	0	40,000	0
516%	554%	447%	659%
35.22%	35.40%	32.55%	37.02%
81.24	76.77	104.27	63.50
$ 14,253	$ 13,535	$ 13,714	$ 11,787
11,841	11,524	12,811	10,352
18,512	16,769	17,305	20,055
6,608	7,555	13,866	16,848
$ 11,216	$ 11,287	$ 12,072	$ 9,861
10,064	9,774	11,698	9,514
10,820	12,926	13,257	11,176
6,122	6,679	13,743	15,348
16,199	9,885	24,492	33,250
8,078	4,929	10,000	0
13,011	9,761	23,739	33,250
0	0	0	0
37.0	29.2	57.9	37.2
31.51%	33.92%	22.66%	26.23%
$ 21,321	$ 23,236	$ 12,299	$ 10,791
8.72%	12.11%	8.11%	2.27%
$ 3,421	$ 4,543	$ 3,737	$ 776

Return On Investment (ROI) Chart - All Firms Reporting

RETURN ON INVESTMENT CHART - BASE: $100 OF SALES


PROFIT LEADERS
ALL FIRMS
RETURN ON GROSS ASSETS
26.96%
15.54%
MULTIPLIED BY
INVESTMENT TURNOVER %
184.40%
187.44%
NET SALES
$100.00
$100.00
DIVIDED BY
TOTAL GROSS ASSETS
$54.23
$53.35
CURRENT ASSETS
$22.59
$19.99
PLUS
GROSS PLANT FACILITIES
$29.40
$32.10
PLUS
NON-CURRENT ASSETS
$2.24
$1.26
CASH
$5.70
$5.23
PLUS
RECEIVABLES
$ 8.96
$ 9.05
PLUS
INVENTORIES
$4.41
$3.80
PLUS
OTHER CURRENT ASSETS
$3.52
$1.91
INCOME AS A % OF SALES
14.62%
8.29%
INCOME
$14.62
$ 8.29
DIVIDED BY
NET SALES
$100.00
$100.00
NET SALES
$100.00
$100.00
MINUS
OPERATING COSTS
$85.38
$91.71
COST OF SALES
$66.77
$71.14
PLUS
SELLING EXPENSES
$5.81
$5.97
PLUS
ADMINISTRATIVE EXPENSES
$12.80
$14.60

Return On Investment - Per $100 of Sales

	SALES FROM 0-$250,000		SALES FROM $250,000-$500,000		SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
INVESTMENT						
Current Assets:						
Cash	$ 5.82	$ 5.80	$ 6.83	$ 7.78	$ 0.44	$ 1.86
Receivables	7.21	8.66	9.86	7.84	15.59	9.89
Inventories	4.22	5.62	3.23	2.66	4.24	3.03
Marketable securities	1.08	2.30	0.17	0.31	0.12	0.00
Other current assets	1.19	1.95	0.67	0.84	2.04	0.57
	19.52	24.33	20.76	19.43	22.43	15.35
Plant Investment:						
Land and building	0.42	0.40	0.00	0.00	0.00	3.57
Machinery and equipment	29.44	26.43	24.78	27.27	16.50	34.15
Other fixed assets	4.96	6.83	1.79	1.45	17.23	1.56
	34.82	33.66	26.57	28.72	33.73	39.28
Non-Current Assets	0.46	0.46	2.12	3.49	0.12	0.19
TOTAL INVESTMENT	54.80	58.45	49.45	51.64	56.28	54.82
INVESTMENT TURNOVER PER $100 OF SALES	182.48%	171.09%	202.22%	193.65%	177.68%	182.42%
EARNINGS						
Cost of Product	$71.46	$67.23	$68.49	$66.08	$77.34	$73.77
Selling Expenses	5.88	6.08	6.48	6.69	4.95	8.23
Administrative Expenses	14.32	10.65	16.18	15.40	10.34	13.89
	91.66	83.96	91.15	88.17	92.63	95.89
Income Before Interest, Other Income (Expense), and Taxes	8.34	16.04	8.85	11.83	7.37	4.11
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	15.22%	27.44%	17.90%	22.91%	13.10%	7.50%

** Sample insufficient for Profit Leaders.

Report On Operations - Sales = 100%

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	17.93	18.64	13.10	9.75
Other chargeable materials	5.38	4.42	2.34	1.69
Outside services	5.75	4.12	5.88	6.33
TOTAL MATERIAL	29.06	27.18	21.32	17.77
FACTORY PAYROLL	23.58	25.32	18.87	17.68
FACTORY EXPENSES	18.93	15.02	27.94	28.30
TOTAL FACTORY COST OF PRODUCT	71.57	67.52	68.13	63.75
GROSS PROFIT	28.4[illegible]	32.48	31.87	36.25
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.38	11.41	16.19	18.33
Selling expenses	5.79	5.06	7.19	8.86
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.17	16.47	23.38	27.19
INCOME BEFORE INTEREST EXPENSE	8.26	16.01	8.49	9.06
Interest expense	1.36	1.46	0.69	0.92
OPERATING INCOME	6.90	14.55	7.80	8.14
Other income (expense)	0.12	(0.50)	1.58	2.11
INCOME BEFORE INCOME TAXES	7.02	14.05	9.38	10.25

SUPPORTING SCHEDULES

OTHER CHARGEABLE MATERIALS				
Ink	2.05%	1.17%	0.38%	
Film	0.60	0.33	0.00	
Plates	1.86	2.13	1.68	
Other chargeable materials	0.87	0.79	0.28	
TOTAL OTHER CHARGEABLE MATERIALS	5.38	4.42	2.34	***
OUTSIDE SERVICES				
Composition	1.52	1.10	0.00	
Offset preparation	0.20	0.14	0.00	
Printing	1.01	1.10	0.61	
Binding	1.61	0.70	3.03	
Other outside services	1.41	1.08	2.24	
TOTAL OUTSIDE SERVICES	5.75	4.12	5.88	***

*** Information not submitted.

Supporting Schedules - Sales = 100%

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.27%	1.70%	3.41%	2.67%
Direct wages	15.82	19.32	13.43	12.76
General factory salaries and wages	3.14	1.56	0.00	0.00
Packing, shipping and delivery wages	0.40	0.66	0.00	0.00
Payroll taxes	1.42	1.35	0.92	0.76
Employee benefits	0.53	0.73	1.11	1.49
TOTAL FACTORY PAYROLL	23.58	25.32	18.87	17.68
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.01	0.00	0.00	0.00
Depreciation - other	3.99	2.73	3.35	3.35
Taxes - real estate	0.01	0.00	0.00	0.00
Taxes - other	0.23	0.34	0.12	0.16
Insurance	1.07	0.91	0.72	0.79
Building rent	4.44	3.95	3.16	2.34
Utilities - heat, light, etc.	0.98	1.03	0.92	0.67
Equipment rental	4.07	3.47	10.07	8.91
Total Fixed Expenses	14.80	12.43	18.34	16.22
Other Expenses				
Factory supplies and expense	1.25	0.66	5.10	6.57
Packing, shipping and delivery expense	0.71	0.42	0.09	0.12
Repairs and maintenance	1.48	0.96	4.02	5.19
Other factory expenses	0.69	0.55	0.39	0.20
Total Other Expenses	4.13	2.59	9.60	12.08
TOTAL FACTORY EXPENSES	18.93	15.02	27.94	28.30
ADMINISTRATIVE EXPENSES				
Salaries - executive	6.13	4.86	2.83	1.90
Salaries - office	2.03	1.84	6.60	8.81
Payroll taxes	0.38	0.23	0.52	0.54
Employee benefits	0.58	0.46	1.17	1.56
Bad debts	0.33	0.26	0.79	1.00
Office supplies and expenses	0.66	0.76	0.81	0.84
Professional fees	1.26	1.19	1.08	0.91
Taxes - business	0.47	0.24	0.10	0.13
Telephone	0.88	0.85	0.94	0.99
Other administrative expenses	1.66	0.72	1.35	1.65
TOTAL ADMINISTRATIVE EXPENSES	14.38	11.41	16.19	18.33
SELLING EXPENSES				
Salaries - executive	0.69	1.42	0.00	0.00
Salaries and commissions - salesmen	0.48	0.29	3.50	4.67
Salaries - sales office clerical	0.48	0.22	0.00	0.00
Payroll taxes	0.05	0.06	0.29	0.39
Employee benefits	0.01	0.00	0.24	0.24
Advertising	1.93	1.86	1.76	1.88
Travel and entertainment	0.83	0.99	1.40	1.68
Other selling expenses	1.32	0.22	0.00	0.00
TOTAL SELLING EXPENSES	5.79	5.06	7.19	8.86

Balance Sheet

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	12.72%	10.39%	16.20%	20.83%
Receivables	23.44	25.23	14.99	14.35
Inventories	9.51	12.38	9.06	7.27
Other current assets	4.42	8.81	2.49	2.17
TOTAL CURRENT ASSETS	50.09	56.81	42.74	44.62
FIXED ASSETS				
Real estate	1.40	0.89	0.00	0.00
Less: Accumulated depreciation	0.14	0.01	0.00	0.00
	1.26	0.88	0.00	0.00
Machinery and equipment	62.46	55.02	67.17	65.54
Less: Accumulated depreciation	25.50	24.54	13.29	14.67
	36.96	30.48	53.88	50.87
Other fixed assets	11.79	11.97	2.80	3.73
Less: Accumulated depreciation	3.30	6.16	0.00	0.00
	8.49	5.81	2.80	3.73
NET FIXED ASSETS	46.71	37.17	56.68	54.60
OTHER ASSETS	3.20	6.02	0.58	0.78
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	7.50	9.46	9.14	12.19
Accounts payable	14.72	10.57	9.53	9.43
Other current liabilities	6.22	9.30	3.60	4.80
TOTAL CURRENT LIABILITIES	28.44	29.33	22.27	26.42
LONG-TERM LIABILITIES	25.22	23.11	23.84	31.78
TOTAL LIABILITIES	53.66	52.44	46.11	58.20
SHAREHOLDERS' AND PROPRIETORS' EQUITY	46.34	47.56	53.89	41.80
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

Balance Sheet Ratios

CURRENT RATIO	1.76	1.94	1.92	1.69
QUICK RATIO	1.43	1.51	1.51	1.41
TOTAL LIABILITIES TO EQUITY	1.16	1.10	0.86	1.39
LONG-TERM LIABILITIES TO EQUITY	0.54	0.49	0.44	0.76
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.41	0.45	0.20	0.22

Significant Facts

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 18,325	$ 16,595	$ 14,706	$ 13,781
Average assets per factory employee (Excluding Executives)	26,898	22,585	24,313	25,800
Average net worth per employee - All employees	9,708	7,711	8,234	5,725
Average gross plant investment per factory employee (Excluding Executives)	20,476	15,215	16,131	16,258
Net worth percentage of fixed assets	132.54%	185.48%	95.13%	79.08%
EMPLOYEES				
Percent factory - All employees	75.13%	78.14%	68.46%	61.27%
Percent administrative - All employees	20.83	17.09	22.13	26.18
Percent sales - All employees	4.04	4.77	9.41	12.55
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 42,386	$ 39,123	$ 37,788	$ 36,118
Sales per factory employee	60,079	51,055	59,931	64,057
Sales less material per factory employee	42,391	37,082	47,086	51,997
Sales per administrative employee	245,248	226,766	209,416	136,555
EXCLUDING EXECUTIVES				
Sales per employee - All employees	52,959	47,648	43,029	39,539
Sales per factory employee	65,024	53,262	64,540	68,220
Sales less material per factory employee	45,835	38,726	50,692	55,456
SALES PER SALESMAN	40,000	0	0	0
SALES TO CURRENT ASSETS	572%	479%	623%	610%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	34.41%	34.69%	34.02%	35.78%
Factory payroll percentage of gross plant investment	87.89	104.02	68.32	65.69
Payroll per employee - All employees	$ 14,278	$ 13,465	$ 12,979	$ 13,205
Payroll per factory employee	12,813	12,469	10,131	9,953
Payroll per administrative employee	17,552	16,399	20,708	18,944
Payroll per sales employee	7,402	9,679	9,443	12,591
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 11,004	$ 10,914	$ 10,245	$ 10,910
Payroll per factory employee	11,185	11,076	8,131	8,092
Payroll per administrative employee	6,948	5,605	12,082	16,109
Payroll per sales employee	5,609	5,840	8,349	11,132
EXECUTIVE PAYROLL				
Payroll per executive - All executives	19,930	16,499	12,058	8,077
Payroll per factory executive	7,727	9,391	12,161	8,215
Payroll per administrative executive	22,849	26,625	11,902	7,869
Payroll per sales executive	3,466	6,149	0	0
RECEIVABLES				
Collection period	35.6	36.5	22.4	20.9
PROFIT				
Gross profit percentage of sales	28.43%	32.48%	31.87%	36.25%
Average gross profit per factory employee	$ 19,230	$ 17,655	$ 23,449	$ 27,924
Income before taxes percentage of sales	7.02%	14.05%	9.38%	10.25%
Average income before taxes per employee	$ 2,904	$ 5,461	$ 3,595	$ 3,827

Return On Investment - Per $100 Of Sales

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 5.02	$ 4.96	$ 6.71	$ 8.62
Receivables	9.46	9.77	6.03	5.74
Inventories	3.83	4.80	3.62	2.87
Marketable securities	0.99	2.28	0.00	0.00
Other current assets	1.07	1.92	0.96	0.82
	20.37	23.73	17.32	18.05
Plant Investment:				
Land and building	0.55	0.36	0.00	0.00
Machinery and equipment	26.57	23.99	26.92	26.08
Other fixed assets	5.58	5.53	1.06	1.41
	32.70	29.88	27.98	27.49
Non-Current Assets	1.40	2.71	0.27	0.35
TOTAL INVESTMENT	54.47	56.32	45.57	45.89
INVESTMENT TURNOVER PER $100 OF SALES	183.59%	177.56%	219.44%	217.91%
EARNINGS				
Cost of Product	$71.57	$67.52	$68.13	$63.75
Selling Expenses	5.79	5.06	7.19	8.86
Administrative Expenses	14.38	11.41	16.19	18.33
	91.74	83.99	91.51	90.94
Income Before Interest, Other Income, and Taxes	8.26	16.01	8.49	9.06
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	15.16%	28.43%	18.63%	19.74%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	32	$259,000	$ 628,000	$ 57,000
TOTAL - PROFIT LEADERS*	15	297,000	739,000	102,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$250,000	17	63,000	152,000	12,000
$250,000-$500,000	9	145,000	362,000	32,000
$500,000-$1,500,000	3	484,000	1,066,000	104,000
$1,500,000-$5,000,000	2	850,000	2,133,000	55,000
PROFIT LEADERS				
0-$250,000	8	70,000	157,000	21,000
$250,000-$500,000	5	149,000	354,000	43,000
BY AREA				
ALL FIRMS				
Metropolitan	28	278,000	673,000	61,000
Non-Metropolitan	4	128,000	315,000	30,000
PROFIT LEADERS				
Metropolitan	12	336,000	837,000	118,000
Non-Metropolitan	3	142,000	348,000	35,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

BASIC GUIDE TO USING YOUR QUICK PRINTERS' RATIO STUDY

You have to know where you stand to make accurate decisions concerning your future. This guide to the ratio study, provided by the American Quick Printing Association, will give you a brief explanation of the purpose of the ratio study and a basic procedure to use to access information about your shop.

The PURPOSE of the Quick Printers' Ratio Study is to serve as a guide to problem areas in your shop which can inhibit your growth and profitability. The study pinpoints:

- Where other quick printers of your sales volume and in a similar market area are financially.
- Profit leaders in your sales volume and market area.
- Problem areas, specifically from paper costs to getting a return on your investments, that are not pulling their weight that need attention because they are decreasing your profits.

WHY RATIOS? This financial study is presented in percentage form based on sales. Therefore, convert your statements to percentages of your sales volume to make specific comparisons. The PIA Ratio Study Program utilizes percentages because dollar amounts can vary for each quick printing shop, but percentages with the base of 100% of sales volume provide a common base for more accurate comparison.

BASIC PROCEDURE to use the Quick Printers' Ratio Study is to prepare your Statement of Operations and Balance Sheet, based on your sales volume figure percentages. You can do this, one item at a time comparing each item as you progress...or convert your information at one time, then compare taking special note of problem areas. If you participated in the study, it is a good idea to get your copy of your input and the Chart of Accounts provided by PIA to refresh your understanding of the data.

Compare your percentages to the profit leaders in your sales volume category in Chapter 1, then in your type of market in Chapter 2. If you see a large discrepancey in a particular area, multiply and convert the figures back to dollars, using your sales volume as a base, to get the actual cost of this problem area to your shop. By using this comparison, the study can give you specific direction as to where you can increase your current profits by focusing more effective management controls on areas that are not pulling their weight in your operation.

You now have a standard to investigate and improve your operation. Now that you are familiar with the use of this study, as you participate each year, make it a habit to thoroughly check your shop at least yearly to see how you measure with your peers in each of the categories.

KEEP IN MIND in working with this data, that when you participate, your firm's individual ratios are computed, then combined with individual ratios of other similar firms, rather than being based on a total dollar sum percentage for a group of companies. The result is a more representative ratio of the quick printing industry on a "common size basis"...where your shop is directly reflected and also used to evaluate other operations. A more specific guide, going step-by-step through a sample firm evaluation, is available in the first volume of the PIA Ratio Studies if you decide to perform a more detailed analysis.

Professional Management Education for the Professional Quick Printer:

The American Quick Printing Association (AQPA) is an investment. AQPA was formed by Printing Industries of America (PIA), Inc. to assess and provide programs and services to meet the unique management needs of the copying and duplicating industry. PIA is a federation of regional and state printing industry associations with more than 90 years of management experience in the graphic communications industry.

AQPA is headed by an executive committee of successful quick printers who are involved daily in the problems and concerns of the business. They provide a solid foundation of practical knowledge to evaluate programs and anticipate future requirements of the fastest growing segment of the printing industry. Current AQPA services include:

- QUICK PRINTERS QUARTERLY MANAGEMENT SEMINARS, held regionally across the country with business professionals discussing practical quick printing management problems and solutions.
- QUICK NEWS, the monthly newsletter of AQPA members providing authoritative, up-to-date management information.
- The PIA QUICK PRINTERS' RATIO STUDY using data from quick printers across the country to establish and record profit standards.
- NATIONAL WAGE AND FRINGE BENEFIT SURVEY for quick printers underway to provide information on benefit packages.
- AQPA ANNUAL EVENT, yearly long-weekend convention, in the summer touching major areas of quick printing management concern combined with social events for participant discussions.

The American Quick Printing Association combines the management expertise of PIA and the practical experience of quick printing professionals personally involved in the "be your own boss" business. If you would like more information on how you can become a part of this growing organization contact: Cheryl Van Vliet, Associate Director, (703) 841-8153 at PIA headquarters in Arlington, Virginia.

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 N. Lynn Street
Arlington, VA 22209
(703) 841-8136

[illegible]

58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
Binders

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Printing Industries of America Inc.

Management Services Department
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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR BINDERS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of Binders by size and product specialty.

Thus, the user of the report can direct himself to the standards for his sales size and product specialty, in the Report on Operations and its Supporting Schedules, Balance Sheet, Significant Facts, and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 34 firms. This is in comparison to 30 firms in 1980 and represents a 12% increase in the number of participating firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company
H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
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TABLE OF CONTENTS

Page Number

FORWARD 2

CHAPTER 1 - BY SIZE OF FIRM 4-13
  Report on Operations - Sales = 100% 4- 5
  Supporting Schedules - Sales = 100% 6- 7
  Balance Sheet 8- 9
  Significant Facts 10-11
  Return on Investment - Per $100 of Sales 12-13

CHAPTER 2 - BY PRODUCT SPECIALTY 14-23
  Report on Operations - Sales = 100% 14-15
  Supporting Schedules - Sales = 100% 16-17
  Balance Sheet 18-19
  Significant Facts 20-21
  Return on Investment - Per $100 of Sales 22-23

ABSOLUTE DATA 24

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Chargeable materials	12.03	7.21	9.18	7.79
Outside services	1.55	1.25	1.12	0.00
TOTAL MATERIAL	13.58	8.46	10.30	7.79
FACTORY PAYROLL	45.67	42.57	43.36	38.36
FACTORY EXPENSES	17.55	18.89	24.93	23.75
TOTAL FACTORY COST OF PRODUCT	76.80	69.92	78.59	69.90
GROSS PROFIT	23.20	30.08	21.41	30.10
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	13.12	16.11	14.15	18.80
Selling expenses	4.44	2.15	1.90	2.55
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.56	18.26	16.05	21.35
INCOME BEFORE INTEREST EXPENSE	5.64	11.82	5.36	8.75
Interest expense	1.93	1.49	1.34	0.00
OPERATING INCOME	3.71	10.33	4.02	8.75
Other income	1.27	1.65	0.40	0.28
INCOME BEFORE INCOME TAXES	4.98	11.98	4.42	9.03

* "Profit Leaders" are those firms which earned 8% or greater pretax profit on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
9.77	6.99	6.23	22.38
1.57	1.75	1.16	2.08
11.34	8.74	7.39	24.46
45.97	44.25	55.73	39.01
18.30	16.94	17.06	11.90
75.61	69.93	80.18	75.37
24.39	30.07	19.82	24.63
13.37	15.03	13.74	11.58
3.44	2.00	3.09	8.91
16.81	17.03	16.83	20.49
7.58	13.04	2.99	4.14
2.07	2.08	2.15	1.86
5.51	10.96	0.84	2.28
1.36	2.20	2.19	0.96
6.87	13.16	3.03	3.24

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.56%	2.80%	3.48%	0.91%
Direct wages	29.37	27.93	18.85	13.88
General factory salaries and wages	5.94	5.00	15.97	17.49
Packing, shipping and delivery wages	1.53	0.91	0.73	1.01
Payroll taxes	2.93	2.66	2.73	3.48
Employee benefits	3.34	3.27	1.60	1.59
TOTAL FACTORY PAYROLL	45.67	42.57	43.36	38.36
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.28	0.28	0.21	0.53
Depreciation - other	3.76	4.33	4.31	5.40
Taxes - real estate	0.26	0.31	0.00	0.00
Taxes - other	0.27	0.46	0.75	1.07
Insurance	1.19	1.63	2.49	2.94
Building rent	2.12	2.27	3.50	2.07
Utilities - heat, light, etc.	1.58	1.31	2.07	1.73
Equipment rental	0.57	0.23	3.16	0.00
Total Fixed Expenses	10.03	10.82	16.49	13.74
Other Expenses				
Factory supplies and expense	1.68	2.96	2.15	4.52
Packing, shipping and delivery expense	2.46	1.86	2.08	2.35
Repairs and maintenance	2.39	2.18	1.60	0.48
Other factory expenses	0.99	1.07	2.61	2.66
Total Other Expenses	7.52	8.07	8.44	10.01
TOTAL FACTORY EXPENSES	17.55	18.89	24.93	23.75
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.61	7.79	5.52	8.22
Salaries - office	3.32	3.46	3.00	4.54
Payroll taxes	0.45	0.74	0.61	1.20
Employee benefits	0.55	0.85	0.61	1.13
Bad debts	0.31	0.23	0.14	0.30
Office supplies and expenses	0.54	0.29	0.50	0.34
Professional fees	0.75	0.68	0.72	0.65
Taxes - business	0.41	0.49	0.15	0.00
Telephone	0.56	0.57	0.68	1.03
Other administrative expenses	1.62	1.01	2.22	1.39
TOTAL ADMINISTRATIVE EXPENSES	13.12	16.11	14.15	18.80
SELLING EXPENSES				
Salaries - executive	0.83	0.75	0.00	0.00
Salaries and commissions - salesmen	1.06	0.00	0.00	0.00
Salaries - sales office clerical	0.35	0.00	0.00	0.00
Payroll taxes	0.09	0.00	0.00	0.00
Employee benefits	0.08	0.01	0.00	0.00
Advertising	0.55	0.42	0.53	0.83
Travel and entertainment	0.72	0.68	0.89	1.42
Other selling expenses	0.76	0.29	0.48	0.30
TOTAL SELLING EXPENSES	4.44	2.15	1.90	2.55

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.85%	3.56%	1.56%	2.18%
30.99	33.55	39.18	25.60
3.76	0.00	5.87	3.81
1.60	0.87	2.04	1.51
3.05	2.33	3.71	2.23
3.72	3.94	3.37	3.68
45.97	44.25	55.73	39.01
0.06	0.18	0.46	0.60
4.44	3.89	4.62	1.49
0.14	0.43	0.57	0.42
0.30	0.22	0.04	0.09
1.00	1.11	1.22	0.71
2.40	2.35	1.38	1.29
1.37	1.15	1.98	1.35
0.12	0.32	0.09	0.16
9.83	9.65	10.36	6.11
2.59	2.34	0.37	0.70
2.59	1.66	2.31	2.55
2.52	2.85	3.48	1.82
0.77	0.44	0.54	0.72
8.47	7.29	6.70	5.79
18.30	16.94	17.06	11.90
5.21	7.61	4.08	3.34
3.10	3.04	4.14	3.34
0.43	0.55	0.31	0.50
0.41	0.73	0.85	0.52
0.44	0.21	0.09	0.33
0.58	0.27	0.70	0.37
0.84	0.69	0.76	0.59
0.49	0.69	0.10	0.66
0.51	0.38	0.65	0.52
1.36	0.86	2.06	1.41
13.37	15.03	13.74	11.58
0.98	1.06	1.08	0.91
0.80	0.00	0.63	2.50
0.35	0.00	0.18	0.70
0.06	0.00	0.04	0.24
0.07	0.01	0.02	0.18
0.27	0.26	0.37	1.23
0.64	0.38	0.44	0.99
0.27	0.29	0.33	2.16
3.44	2.00	3.09	8.91

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	6.72%	11.20%	9.87%	8.30%
Receivables	29.14	22.46	17.17	17.25
Inventories	9.50	3.62	7.04	5.43
Other current assets	5.12	3.55	12.59	1.55
TOTAL CURRENT ASSETS	50.48	40.83	46.67	32.53
FIXED ASSETS				
Real estate	9.99	24.17	14.64	36.61
Less: Accumulated depreciation	2.03	3.70	2.36	5.91
	7.96	20.47	12.28	30.70
Machinery and equipment	81.90	85.65	83.00	80.20
Less: Accumulated depreciation	48.58	54.60	50.06	47.56
	33.32	31.05	32.94	32.64
Other fixed assets	7.53	5.57	3.50	8.36
Less: Accumulated depreciation	3.70	3.12	1.84	4.23
	3.83	2.45	1.66	4.13
NET FIXED ASSETS	45.11	53.97	46.88	67.47
OTHER ASSETS	4.41	5.20	6.45	0.00
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	8.28	6.61	3.46	0.00
Accounts payable	8.72	4.64	3.21	4.27
Other current liabilities	8.15	7.40	5.97	3.69
TOTAL CURRENT LIABILITIES	25.15	18.65	12.64	7.96
LONG-TERM LIABILITIES	29.75	21.93	29.10	33.16
TOTAL LIABILITIES	54.90	40.58	41.74	41.12
SHAREHOLDERS' AND PROPRIETORS' EQUITY	45.10	59.42	58.26	58.88
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.01	2.19	3.69	4.09
QUICK RATIO	1.63	2.00	3.14	3.40
TOTAL LIABILITIES TO EQUITY	1.22	0.68	0.72	0.70
LONG-TERM LIABILITIES TO EQUITY	0.66	0.37	0.50	0.56
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.64	0.60	0.59

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
9.02%	12.37%	3.26%	3.04%
29.03	24.54	30.81	35.56
5.93	2.89	6.31	20.11
3.95	4.35	2.45	4.68
47.93	44.15	42.83	63.39
6.40	19.19	14.38	10.54
0.94	2.82	2.61	3.43
5.46	16.37	11.77	7.11
85.54	87.83	84.86	72.16
47.76	57.41	49.92	48.18
37.78	30.42	34.94	23.98
7.74	4.47	10.04	7.76
3.50	2.68	4.02	5.00
4.24	1.79	6.02	2.76
47.48	48.58	52.73	33.85
4.59	7.27	4.44	2.76
100.00	100.00	100.00	100.00
7.91	9.24	11.36	9.68
8.77	4.79	6.02	14.08
7.00	8.89	9.44	10.72
23.68	22.92	26.82	34.48
35.85	17.44	22.86	23.86
59.53	40.36	49.68	58.34
40.47	59.64	50.32	41.66
100.00	100.00	100.00	100.00
2.02	1.93	1.60	1.84
1.77	1.80	1.36	1.26
1.47	0.68	0.99	1.40
0.89	0.29	0.45	0.57
0.56	0.65	0.59	0.67

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 14,465	$ 14,742	$ 13,248	$ 11,737
Average assets per factory employee (Excluding Executives)	19,112	18,164	15,853	14,967
Average net worth per employee - All employees	6,309	8,867	6,575	6,940
Average gross plant investment per factory employee (Excluding Executives)	17,167	21,111	17,318	18,602
Net worth percentage of fixed assets	145.21%	121.43%	340.39%	110.63
EMPLOYEES				
Percent factory - All employees	85.70%	85.07%	86.51%	82.31
Percent administrative - All employees	11.07	14.18	13.49	17.69
Percent sales - All employees	3.23	0.75	0.00	0.00
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 29,200	$ 29,063	$ 24,900	$ 25,911
Sales per factory employee	35,763	34,172	29,117	31,460
Sales less material per factory employee	29,525	31,399	26,240	28,988
Sales per administrative employee	297,698	221,438	126,535	149,984
EXCLUDING EXECUTIVES				
Sales per employee - All employees	31,748	32,614	28,641	29,753
Sales per factory employee	38,170	35,815	31,207	33,069
Sales less material per factory employee	31,255	32,836	28,119	30,423
SALES PER SALESMAN	400,655	308,000	0	0
SALES TO CURRENT ASSETS	466%	586%	619%	944
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	57.01%	56.16%	53.10%	53.45
Factory payroll percentage of gross plant investment	144.90	77.97	348.07	75.13
Payroll per employee - All employees	$ 16,075	$ 16,427	$ 13,371	$ 13,947
Payroll per factory employee	14,925	14,648	12,612	12,085
Payroll per administrative employee	25,240	27,641	16,182	24,043
Payroll per sales employee	19,552	5,578	0	0
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 12,572	$ 12,297	$ 10,959	$ 11,053
Payroll per factory employee	12,420	12,245	10,893	10,767
Payroll per administrative employee	13,669	12,902	10,258	13,813
Payroll per sales employee	14,606	0	0	0
EXECUTIVE PAYROLL				
Payroll per executive - All executives	34,737	33,419	15,173	17,606
Payroll per factory executive	17,726	12,591	10,655	3,240
Payroll per administrative executive	43,727	38,845	17,675	26,934
Payroll per sales executive	18,739	5,513	0	0
RECEIVABLES				
Collection period	51.8	42.8	29.3	28.2
PROFIT				
Gross profit percentage of sales	23.20%	30.08%	21.41%	30.10
Average gross profit per factory employee	$ 9,358	$ 10,931	$ 6,770	$ 9,961
Income before taxes percentage of sales	4.98%	11.98%	4.42%	9.03
Average income before taxes per employee	$ 1,489	$ 3,664	$ 1,142	$ 2,352

** Sample insufficient for Profit Leaders.

BEST AVAILABLE COPY

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 15,801	$ 15,943	$ 13,434	$ 13,495
22,620	19,443	15,326	17,410
6,429	9,637	6,596	5,704
18,935	22,114	17,267	13,683
86.62%	125.75%	100.03%	166.95%
84.71%	86.18%	89.92%	83.88%
11.54	12.77	8.70	10.45
3.75	1.05	1.38	5.67
$ 29,845	$ 30,324	$ 23,823	$ 34,712
37,928	35,257	26,651	42,692
31,737	32,363	24,396	31,275
317,210	250,019	270,414	388,552
32,564	33,759	25,137	37,116
41,454	36,913	27,172	44,615
34,102	33,801	24,873	32,661
239,000	308,000	484,827	424,254
439%	443%	433%	448%
57.38%	57.25%	67.06%	51.22%
100.90	79.10	106.96	128.86
$ 16,573	$ 17,419	$ 15,688	$ 17,122
15,714	15,673	14,540	15,181
26,986	29,081	24,879	27,899
14,327	7,809	34,293	30,513
$ 12,644	$ 12,794	$ 12,826	$ 13,253
12,831	12,836	12,623	12,453
13,131	12,537	14,262	16,366
10,190	0	23,453	25,380
35,376	39,745	41,020	41,056
16,345	16,331	19,974	23,050
43,190	43,609	46,879	58,653
12,486	7,718	32,755	31,663
54.6	48.7	63.8	51.5
24.39%	30.07%	19.82%	24.63%
$ 10,278	$ 11,319	$ 5,590	$ 12,075
6.87%	13.16%	3.03%	3.24%
$ 2,069	$ 4,189	$ 891	$ 1,069

RETURN ON INVESTMENT -- PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 3.24	$ 5.65	$ 4.87	$ 3.59
Receivables	13.82	11.31	7.79	7.73
Inventories	4.73	1.71	5.01	2.36
Marketable securities	0.24	0.00	0.00	0.00
Other current assets	1.82	1.81	3.30	0.73
	23.85	20.48	20.97	14.41
Plant Investment:				
Land and building	5.34	12.12	6.88	17.18
Machinery and equipment	41.56	43.93	48.33	36.37
Other fixed assets	3.78	2.96	1.63	3.97
	50.68	59.01	56.84	57.52
Non-Current Assets	2.61	3.01	5.83	0.00
TOTAL INVESTMENT	77.14	82.50	83.64	71.93
INVESTMENT TURNOVER PER $100 OF SALES	129.63%	121.21%	119.56%	139.02%
EARNINGS				
Cost of Product	$76.80	$69.92	$78.59	$69.90
Selling Expenses	4.44	2.15	1.90	2.55
Administrative Expenses	13.12	16.11	14.15	18.80
	94.36	88.18	94.64	91.25
Income Before Interest, Other Income and Taxes	5.64	11.82	5.36	8.75
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.31%	14.33%	6.41%	12.16%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 4.41	$ 6.47	$ 1.70	$ 1.19
14.56	12.73	17.09	13.74
3.16	1.46	3.23	8.64
0.13	0.00	0.00	0.75
2.04	2.25	1.31	0.87
24.30	22.91	23.33	25.19
3.36	10.08	10.44	4.28
43.46	46.96	50.01	27.43
4.29	2.56	5.57	2.84
51.11	59.60	66.02	34.55
2.48	4.21	2.28	1.04
77.89%	86.72%	91.63%	60.78%
128.39%	115.31%	109.13%	164.53%
$75.61	$69.93	$80.18	$75.37
3.44	2.00	3.09	8.91
13.37	15.03	13.74	11.58
92.42	86.96	97.01	95.86
7.58	13.04	2.99	4.14
9.73%	15.04%	3.26%	6.82%

REPORT ON OPERATIONS - SALES = 100%

	PAMPHLET		EDITION BOOKS	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Chargeable materials	3.12	0.83	14.10	14.85
Outside services	2.05	0.00	0.98	2.46
TOTAL MATERIAL	5.17	0.83	15.08	17.31
FACTORY PAYROLL	51.48	50.45	48.09	36.60
FACTORY EXPENSES	19.48	13.27	17.59	18.15
TOTAL FACTORY COST OF PRODUCT	76.13	64.55	80.76	72.06
GROSS PROFIT	23.87	35.45	19.24	27.94
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	13.77	16.49	10.99	16.26
Selling expenses	4.05	3.74	1.68	0.68
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.82	20.23	12.67	16.94
INCOME BEFORE INTEREST EXPENSE	6.05	15.22	6.57	11.00
Interest expense	1.70	1.94	2.78	1.02
OPERATING INCOME	4.35	13.28	3.79	9.98
Other income	1.17	2.61	1.83	0.28
INCOME BEFORE INCOME TAXES	5.52	15.89	5.62	10.26

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
8.92	8.34	39.42	15.34
0.71	0.94	1.87	1.32
9.63	9.28	41.29	16.66
49.00	40.21	23.34	46.07
19.88	22.90	7.31	17.59
78.51	72.39	71.94	80.32
21.49	27.61	28.06	19.68
13.13	15.10	12.21	12.56
2.04	2.55	12.53	2.39
15.17	17.65	24.74	14.95
6.32	9.96	3.32	4.73
0.56	0.68	1.71	2.24
5.76	9.28	1.61	2.49
0.71	0.30	0.56	1.49
6.47	9.58	2.17	3.98

SUPPORTING SCHEDULES - SALES = 100%

	PAMPHLET		EDITION BOOKS	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.26%	2.33%	2.36%	2.66%
Direct wages	37.37	40.11	20.61	11.16
General factory salaries and wages	2.88	0.00	18.00	17.49
Packing, shipping and delivery wages	2.07	2.16	0.21	0.00
Payroll taxes	3.30	1.96	2.80	2.28
Employee benefits	3.60	3.89	4.11	3.01
TOTAL FACTORY PAYROLL	51.48	50.45	48.09	36.60
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.46	0.21	0.07	0.00
Depreciation - other	3.81	2.58	3.28	3.38
Taxes - real estate	0.25	0.76	0.05	0.00
Taxes - other	0.21	0.00	0.63	0.98
Insurance	1.15	0.75	1.49	1.24
Building rent	2.06	2.62	3.23	3.80
Utilities - heat, light, etc.	1.76	0.82	1.94	1.24
Equipment rental	1.24	0.00	0.00	0.00
Total Fixed Expenses	10.94	7.74	10.69	10.64
Other Expenses				
Factory supplies and expense	1.49	2.25	1.67	2.56
Packing, shipping and delivery expense	3.36	1.26	0.85	1.07
Repairs and maintenance	2.81	1.74	1.34	1.08
Other factory expenses	0.88	0.28	3.04	2.80
Total Other Expenses	8.54	5.53	6.90	7.51
TOTAL FACTORY EXPENSES	19.48	13.27	17.59	18.15
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.89	10.40	3.70	8.01
Salaries - office	3.49	1.86	2.95	4.15
Payroll taxes	0.55	0.43	0.32	0.59
Employee benefits	0.61	0.81	0.53	1.22
Bad debts	0.39	0.00	0.27	0.52
Office supplies and expenses	0.48	0.31	0.32	0.28
Professional fees	0.87	0.64	0.74	0.86
Taxes - business	0.56	0.37	0.12	0.03
Telephone	0.48	0.40	0.34	0.29
Other administrative expenses	1.45	1.27	1.70	0.31
TOTAL ADMINISTRATIVE EXPENSES	13.77	16.49	10.99	16.26
SELLING EXPENSES				
Salaries - executive	1.23	2.65	0.12	0.00
Salaries and commissions - salesmen	0.90	0.00	0.62	0.00
Salaries - sales office clerical	0.25	0.00	0.00	0.00
Payroll taxes	0.12	0.00	0.06	0.00
Employee benefits	0.09	0.03	0.03	0.00
Advertising	0.28	0.28	0.12	0.23
Travel and entertainment	0.73	0.18	0.28	0.45
Other selling expenses	0.45	0.60	0.45	0.00
TOTAL SELLING EXPENSES	4.05	3.74	1.68	0.68

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
3.22%	4.83%	2.52%	3.64%
28.54	27.90	8.70	34.85
6.83	0.00	8.39	1.58
1.70	1.01	0.86	1.61
4.43	3.69	1.36	2.08
4.28	2.78	1.51	2.31
49.00	40.21	23.34	46.07
0.52	0.78	0.00	0.31
4.70	5.89	1.20	4.28
0.42	0.31	0.37	0.52
0.26	0.39	0.00	0.35
2.30	2.66	0.21	1.07
0.44	0.00	1.49	2.72
1.75	1.78	0.75	1.78
0.10	0.00	0.03	0.01
10.49	11.81	4.05	11.04
3.96	5.13	1.07	0.53
2.81	2.65	0.61	2.70
2.14	2.64	1.02	2.85
0.48	0.67	0.56	0.47
9.39	11.09	3.26	6.55
19.88	22.90	7.31	17.59
3.92	4.30	3.37	4.84
4.43	4.24	2.93	2.73
0.73	1.10	0.25	0.31
0.23	0.34	0.35	0.83
0.08	0.30	0.02	0.46
0.34	0.33	0.55	0.71
0.60	0.76	0.74	0.62
0.44	0.65	0.04	0.22
0.96	1.26	0.59	0.86
1.40	1.82	3.37	0.98
13.13	15.10	12.21	12.56
0.00	0.00	1.01	0.81
0.04	0.00	3.30	0.47
0.00	0.00	1.40	0.39
0.00	0.00	0.19	0.03
0.00	0.00	0.22	0.02
0.63	0.83	2.08	0.12
1.14	1.42	1.25	0.31
0.23	0.30	3.08	0.24
2.04	2.55	12.53	2.39

BALANCE SHEET

	PAMPHLET		EDITION BOOKS	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	5.22%	8.90%	11.26%	17.71%
Receivables	32.60	29.44	23.75	25.11
Inventories	3.18	1.30	8.56	9.17
Other current assets	8.50	7.19	1.56	2.54
TOTAL CURRENT ASSETS	49.50	46.83	45.13	54.53
FIXED ASSETS				
Real estate	10.36	22.63	8.15	4.37
Less: Accumulated depreciation	2.52	3.85	1.28	0.00
	7.84	18.78	6.87	4.37
Machinery and equipment	83.82	96.72	98.07	76.29
Less: Accumulated depreciation	49.68	74.84	56.29	36.08
	34.14	21.88	41.78	40.21
Other fixed assets	7.14	4.03	3.09	1.58
Less: Accumulated depreciation	3.64	2.62	2.00	1.17
	3.50	1.41	1.09	0.41
NET FIXED ASSETS	45.48	42.07	49.74	44.99
OTHER ASSETS	5.02	11.10	5.13	0.48
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	9.80	13.10	5.39	3.86
Accounts payable	5.22	1.22	6.09	7.11
Other current liabilities	8.71	9.02	7.05	6.63
TOTAL CURRENT LIABILITIES	23.73	23.34	18.53	17.60
LONG-TERM LIABILITIES	25.41	8.93	47.48	10.16
TOTAL LIABILITIES	49.14	32.27	66.01	27.76
SHAREHOLDERS' AND PROPRIETORS' EQUITY	50.86	67.73	33.99	72.24
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.09	2.01	2.44	3.10
QUICK RATIO	1.95	1.95	1.97	2.58
TOTAL LIABILITIES TO EQUITY	0.97	0.48	1.94	0.38
LONG-TERM LIABILITIES TO EQUITY	0.50	0.13	1.40	0.14
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.77	0.57	0.47

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
4.38%	4.45%	2.48%	7.47%
24.85	17.32	35.52	25.83
6.84	2.17	31.48	13.62
2.27	2.25	5.81	1.76
38.34	26.19	75.29	48.68
38.39	57.58	0.00	9.72
6.07	9.10	0.00	2.28
32.32	48.48	0.00	7.44
67.09	72.89	28.64	119.77
44.46	51.92	13.69	82.97
22.63	20.97	14.95	36.80
10.57	8.82	10.27	8.59
4.72	4.46	4.30	4.62
5.85	4.36	5.97	3.97
60.80	73.81	20.92	48.21
0.86	0.00	3.79	3.11
100.00	100.00	100.00	100.00
2.94	1.14	12.75	5.94
4.54	3.84	25.03	8.70
10.46	6.43	9.18	7.99
17.94	11.41	46.96	22.63
32.27	44.22	21.86	27.18
50.21	55.63	68.82	49.81
49.79	44.37	31.18	50.19
100.00	100.00	100.00	100.00

2.14	2.30	1.60	2.15
1.76	2.11	0.93	1.55
1.01	1.25	2.21	0.99
0.65	1.00	0.70	0.54
0.66	0.71	0.48	0.69

SIGNIFICANT FACTS

	PAMPHLET		EDITION BOOKS	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 13,475	$ 17,122	$ 12,290	$ 12,374
Average assets per factory employee (Excluding Executives)	15,803	20,525	13,893	15,378
Average net worth per employee - All employees	6,868	11,682	4,041	8,788
Average gross plant investment per factory employee (Excluding Executives)	16,709	25,437	12,844	12,645
Net worth percentage of fixed assets	191.55%	159.72%	68.17%	156.05%
EMPLOYEES				
Percent factory - All employees	87.94%	85.58%	91.40%	86.31%
Percent administrative - All employees	9.66	11.78	7.84	13.69
Percent sales - All employees	2.40	2.64	0.76	0.00
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 26,799	$ 33,968	$ 24,583	$ 28,576
Sales per factory employee	30,645	39,735	27,163	33,092
Sales less material per factory employee	29,033	39,503	22,906	27,308
Sales per administrative employee	324,486	295,708	245,318	213,163
EXCLUDING EXECUTIVES				
Sales per employee - All employees	28,971	38,440	26,487	32,353
Sales per factory employee	31,685	40,676	28,513	35,511
Sales less material per factory employee	30,010	40,379	24,015	29,361
SALES PER SALESMAN	348,933	308,000	489,429	0
SALES TO CURRENT ASSETS	437%	423%	528%	426%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	63.61%	66.63%	56.43%	50.57%
Factory payroll percentage of gross plant investment	201.84	84.98	101.94	102.83
Payroll per employee - All employees	$ 16,930	$ 22,367	$ 13,669	$ 14,316
Payroll per factory employee	15,611	19,876	12,593	12,078
Payroll per administrative employee	28,263	36,281	19,036	27,490
Payroll per sales employee	26,234	19,523	5,152	0
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 13,398	$ 16,977	$ 10,738	$ 10,600
Payroll per factory employee	13,263	17,251	10,438	10,167
Payroll per administrative employee	15,228	12,870	11,638	15,028
Payroll per sales employee	18,373	0	4,263	0
EXECUTIVE PAYROLL				
Payroll per executive - All executives	37,487	43,374	16,415	25,885
Payroll per factory executive	14,127	15,768	11,488	16,268
Payroll per administrative executive	48,460	49,193	26,008	35,501
Payroll per sales executive	22,653	19,294	8,255	0
RECEIVABLES				
Collection period	59.1	59.3	37.1	40.7
PROFIT				
Gross profit percentage of sales	23.87%	35.45%	19.24%	27.94%
Average gross profit per factory employee	$ 7,816	$ 14,694	$ 5,919	$ 9,921
Income before taxes percentage of sales	5.52%	15.89%	5.62%	10.26%
Average income before taxes per employee	$ 1,722	$ 5,737	$ 1,507	$ 2,935

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 11,991	$ 13,667	$ 18,897	$ 16,442
15,363	18,259	36,460	19,719
6,132	6,579	4,948	8,100
18,690	24,706	13,085	27,022
102.85%	67.12%	176.65%	115.08%
84.13%	81.07%	70.88%	87.35%
15.84	18.93	16.78	10.70
0.03	0.00	12.34	1.95
$ 24,276	$ 25,643	$ 40,699	$ 33,213
29,036	31,618	63,293	38,043
26,232	28,644	37,639	31,179
165,081	136,225	314,263	325,214
26,848	29,234	44,965	36,407
30,661	34,056	72,648	39,712
27,632	30,745	43,131	32,627
0	0	366,667	604,480
760%	941%	306%	431%
58.36%	50.19%	36.35%	56.49%
116.58	55.50	140.15	68.29
$ 13,973	$ 12,913	$ 14,760	$ 18,304
13,798	12,750	14,053	17,050
15,017	13,607	21,706	25,186
9,640	0	23,630	23,110
$ 10,746	$ 9,679	$ 11,196	$ 14,989
10,794	9,819	11,110	14,805
10,884	9,129	10,760	14,483
9,640	0	19,809	13,220
21,558	18,254	41,303	35,561
8,021	12,031	26,016	34,763
23,927	21,807	45,638	35,592
0	0	22,711	34,388
42.9	34.6	62.0	48.0
21.49%	27.61%	28.06%	19.68%
$ 6,957	$ 9,329	$ 20,562	$ 7,853
6.47%	9.58%	2.17%	3.98%
$ 1,667	$ 2,474	$ 741	$ 1,385

RETURN ON INVESTMENT - PER $100 OF SALES

	PAMPHLET		EDITION BOOKS	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 2.47	$ 4.39	$ 4.45	$ 7.67
Receivables	15.69	15.00	9.83	10.88
Inventories	1.60	0.74	5.22	3.97
Marketable securities	0.14	0.00	0.00	0.00
Other current assets	3.21	3.83	0.76	1.09
	23.11	23.96	20.26	23.61
Plant Investment:				
Land and building	6.11	10.34	3.12	1.89
Machinery and equipment	44.78	48.76	43.26	33.04
Other fixed assets	3.97	2.28	1.05	0.68
	54.86	61.38	47.43	35.61
Non-Current Assets	2.54	6.20	5.11	0.22
TOTAL INVESTMENT	80.51	91.54	72.80	59.44
INVESTMENT TURNOVER PER $100 OF SALES	124.21%	109.24%	137.36%	168.24%
EARNINGS				
Cost of Product	$76.13	$64.55	$80.76	$72.06
Selling Expenses	4.05	3.74	1.68	0.68
Administrative Expenses	13.77	16.49	10.99	16.26
	93.95	84.78	93.43	89.00
Income Before Interest, Other Income, and Taxes	6.05	15.22	6.57	11.00
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.51%	16.63%	9.02%	18.51%

** Sample insufficient for Profit Leaders.

FINISHERS		LOOSELEAF**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 2.32	$ 2.63	$ 1.20	$ 4.11
11.66	9.49	16.75	12.95
3.01	1.27	15.69	5.82
0.00	0.00	1.20	0.00
1.08	1.15	0.82	0.90
18.07	14.54	35.66	23.78
20.11	30.17	0.00	5.07
33.02	38.40	13.25	61.26
4.70	4.24	4.95	4.26
57.83	72.81	18.20	70.59
0.34	0.00	1.52	1.71
76.24	87.35	55.38	96.08
131.16%	114.48%	180.57%	104.08%
$78.51	$72.39	$71.94	$80.32
2.04	2.55	12.53	2.39
13.13	15.10	12.21	12.56
93.68	90.04	96.68	95.27
6.32	9.96	3.32	4.73
8.29%	11.40%	5.99%	4.92%

ABSOLUTE DATA BINDERS

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALE OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	34	$ 954,000	$2,095,000	$ 75,000
TOTAL - PROFIT LEADERS*	7	357,000	669,000	85,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	5	149,000	284,000	11,000
$500,000-$1,500,000	15	552,000	1,044,000	65,000
$1,500,000-$3,000,000	6	1,430,000	2,518,000	71,000
Over $3,000,000	8	1,854,000	4,880,000	137,000
PROFIT LEADERS				
0-$500,000	2	106,000	239,000	23,000
$500,000-$1,500,000	5	458,000	841,000	110,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Pamphlet	14	996,000	2,045,000	82,000
Edition	5	697,000	1,820,000	58,000
Finishers	3	523,000	1,181,000	33,000
Looseleaf	5	1,406,000	3,400,000	67,000
No Predominant Specialty	4	1,067,000	2,225,000	110,000
PROFIT LEADERS				
Pamphlet	2	359,000	704,000	114,000
Edition	2	238,000	551,000	57,000
Finishers	2	249,000	435,000	47,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 N. Lynn Street
Arlington, VA 22209
(703) 841-8136

58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
Book Manufacturers

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Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR BOOK MANUFACTURERS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of book manufacturers by size, product specialty, and process specialty.

Thus, the user of the report can direct himself to the standards for his sales size, product specialty, and process specialty in the Report on Operations based on Value Added and its Supporting Schedules, Report on Operations based on Sales and its Supporting Schedules, Balance Sheet, Significant Facts, and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 44 firms. This is in comparison to 38 firms in 1980 and represents a 15% increase in the number of participating firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Nonheatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume.*

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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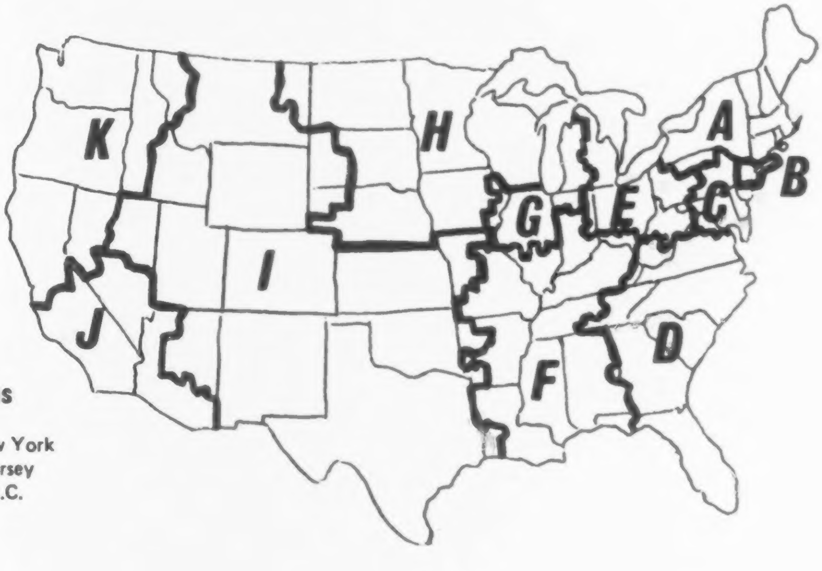
TABLE OF CONTENTS

Page Number

FOREWORD.......... 2
VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGH PROFITS.... 4- 5
CHAPTER 1 - BY SIZE OF FIRM. 6-19
  Report on Operations - Value Added = 100%.......... 6- 7
  Supporting Schedules - Value Added = 100%.......... 8- 9
  Report on Operations - Sales = 100%.......... 10-11
  Supporting Schedules - Sales = 100%.......... 10-13
  Balance Sheet.......... 14-15
  Significant Facts.......... 16-17
  Return on Investment - Per $100 of Sales.......... 18-19
CHAPTER 2 - BY PRODUCT SPECIALTY.......... 20-26
  Report on Operations - Value Added = 100%.......... 20
  Supporting Schedules - Value Added = 100%.......... 21
  Report on Operations - Sales = 100%.......... 22
  Supporting Schedules - Sales = 100%.......... 22-23
  Balance Sheet.......... 24
  Significant Facts.......... 25
  Return on Investment - Per $100 of Sales.......... 26
CHAPTER 3 - BY PROCESS SPECIALTY.......... 28-34
  Report on Operations - Value Added = 100%.......... 28
  Supporting Schedules - Value Added = 100%.......... 29
  Report on Operations - Sales = 100%.......... 30
  Supporting Schedules - Sales = 100%.......... 30-31
  Balance Sheet.......... 32
  Significant Facts.......... 33
  Return on Investment - Per $100 of Sales.......... 34
ABSOLUTE DATA.......... 35-36



CONSOLIDATED REGIONS

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

Value Added - What Is It?

In printing, Value Added is simply your sales less material costs. It is the technical term for sales of your own manufacture and is also referred to as Inside Sales.

Ignoring the Value Added concept produces a poor profit. Of course, there can be several reasons for poor operating performance. In many cases, though, at least one of the answers can be found in a basic fact of accounting:

"Profit is achieved from Sales of your own manufacture."

Value Added and Profit

Too often, printers look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

For example, consider the following two possible results of a printing operation for a given month:

	FIRM A	FIRM B
Sales	$100,000	$ 90,000
Materials	35,000	15,000
Inside Sales	$ 65,000	$ 75,000

As shown above, sales of $100,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 a month that provide $75,000 of Inside Sales. The latter yields $10,000 more to cover overhead. Clearly, the sales figures in the statement are misleading; Value Added gives a truer picture of profit.

Note that the deficiency is not in sales; Firm A has more sales per month. It is the Value Added that is short. Management must understand that "Inside Sales" pay the rent, insurance, and administrative expenses - and make a profit.

Put another way: If you sell a press for $50 an hour, you recover the full $50 with which to pay overhead. But if you sell materials for $50 plus a 20% mark-up, you are left with only $10 to pay overhead. Obviously the press is the "better sale." There is nothing wrong in selling materials at $10 Value Added. The only thing wrong is to believe that the press and the materials are equally valuable sales; clearly they are not.

> "There are 'good sales' and 'better sales.' 'Better sales' are those with the higher dollar Value Added - all others are just 'good sales'."

PIA Value Added Ratios - A Truer Picture

It may be said that you are not similar to the average printer because of your product mix. If you compare your operation to the PIA ratios on the basis of sales, there will be distortion due to variations in materials. But your percentages of the base Value Added will exclude these variations, giving reliable data for evaluating your operations.

In keeping with the Value Added concept, management would be better informed if it prepared its Profit and Loss Statement on the basis of Inside Sales, as shown in the accompanying table. This type of presentation is more meaningful because it advises management to start its financial analysis with Value Added, rather than sales volume.

STATEMENT OF INCOME BASED ON VALUE ADDED

Sales or Value of Product	$ X	
Less: Paper, Other Chargeable Materials and Outside Services	X	
Value Added By Manufacture	X	100.00%*
Factory Payroll	X	38.66
Factory Expenses	X	17.47
Total Factory Cost of Product	X	56.13
Gross Profit	X	43.87
Administrative and Selling Expenses		
Administrative Expenses	X	14.22
Selling Expenses	X	10.64
Total Administrative and Selling Expenses	X	24.86
Income Before Interest Expense	X	19.01
Interest Expense	X	2.00
Operating Income	X	17.01
Other Income	X	1.28
Income Before Income Taxes	X	18.29%

* Source: Report on Operations (Profit Leaders)
1981 PIA Ratio Study, Sales Volume Study

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	49.36	41.82	55.27
FACTORY EXPENSES	19.63	18.21	19.62
TOTAL FACTORY COST OF PRODUCT	68.99	60.03	74.89
GROSS PROFIT	31.01	39.97	25.11
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	12.55	10.55	18.03
Selling expenses	8.39	9.41	4.75
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.94	19.96	22.78
INCOME BEFORE INTEREST EXPENSE	10.07	20.01	2.33
Interest expense	3.53	2.57	3.35
OPERATING INCOME (LOSS)	6.54	17.44	(1.02)
Other income	1.36	2.48	0.22
INCOME (LOSS) BEFORE INCOME TAXES	7.90	19.92	(0.80)

* See Page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
44.77	36.51	49.73	35.38	48.14	40.66	50.61	50.46
19.19	20.14	20.78	22.29	16.52	13.93	21.32	17.04
63.96	56.65	70.51	57.67	64.66	54.59	71.93	67.50
36.04	43.35	29.49	42.33	35.34	45.41	28.07	32.50
13.76	10.20	13.99	11.12	11.38	12.17	11.03	9.32
6.84	10.05	8.82	9.96	10.82	10.73	6.99	7.73
20.60	20.25	22.81	21.08	22.20	22.90	18.02	17.05
15.44	23.10	6.68	21.25	13.14	22.51	10.05	15.45
3.77	3.50	4.16	4.50	4.36	1.43	1.88	1.41
11.67	19.60	2.52	16.75	8.78	21.08	8.17	14.04
0.32	0.82	1.36	3.57	1.38	2.58	2.22	2.79
11.99	20.42	3.88	20.32	10.16	23.66	10.39	16.83

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.34%	2.93%	1.77%
Direct wages	32.72	29.33	50.39
General factory salaries and wages	5.20	2.12	0.00
Packing, shipping and delivery wages	1.10	1.30	0.00
Payroll taxes	2.85	2.08	2.05
Employee benefits	4.15	4.06	1.06
TOTAL FACTORY PAYROLL	49.36	41.82	55.27
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.56	0.35	0.00
Depreciation - other	4.10	4.16	3.00
Taxes - real estate	0.41	0.23	0.00
Taxes - other	0.30	0.16	0.02
Insurance	0.71	0.69	0.17
Building rent	1.52	2.37	3.55
Utilities - heat, light, etc.	2.06	1.73	1.90
Equipment rental	1.24	1.20	3.73
Total Fixed Expenses	10.90	10.89	12.37
Other Expenses			
Factory supplies and expense	3.83	3.12	4.33
Packing, shipping and delivery expense	1.09	1.38	0.63
Repairs and maintenance	2.50	1.98	2.05
Other factory expenses	1.31	0.84	0.24
Total Other Expenses	8.73	7.32	7.25
TOTAL FACTORY EXPENSES	19.63	18.21	19.62
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.98	3.18	1.77
Salaries - office	3.63	2.55	6.60
Payroll taxes	0.35	0.27	0.22
Employee benefits	0.71	0.54	0.26
Bad debts	0.58	0.54	3.61
Office supplies and expenses	0.60	0.38	0.60
Professional fees	0.86	0.69	1.67
Taxes - business	0.37	0.36	0.48
Telephone	0.66	0.70	1.24
Other administrative expenses	1.81	1.34	1.58
TOTAL ADMINISTRATIVE EXPENSES	12.55	10.55	18.03
SELLING EXPENSES			
Salaries - executive	1.45	2.18	3.54
Salaries and commissions - salesmen	3.19	3.16	0.00
Salaries - sales office clerical	1.15	0.78	0.00
Payroll taxes	0.24	0.26	0.00
Employee benefits	0.36	0.59	0.14
Advertising	0.33	0.78	0.48
Travel and entertainment	1.01	1.17	0.20
Other selling expenses	0.66	0.49	0.39
TOTAL SELLING EXPENSES	8.39	9.41	4.75

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.21%	3.91%	3.18%	1.78%	2.99%	2.08%	3.98%	3.61%
32.41	25.16	32.86	30.18	30.72	24.65	30.37	34.67
1.19	0.84	7.12	0.22	5.86	4.63	5.27	2.58
1.21	0.59	0.95	1.05	1.40	3.37	1.10	0.57
2.49	2.20	2.87	0.70	2.65	1.84	3.23	3.09
4.26	3.81	2.75	1.45	4.52	4.09	6.66	5.94
44.77	36.51	49.73	35.38	48.14	40.66	50.61	50.46
0.17	0.00	0.85	0.44	0.40	0.19	0.71	0.62
5.31	5.18	3.96	4.78	4.28	3.77	3.75	3.35
0.28	0.00	0.49	0.21	0.42	0.13	0.47	0.45
0.05	0.06	0.31	0.00	0.32	0.23	0.47	0.28
0.96	1.49	0.72	0.68	0.69	0.53	0.34	0.25
4.19	3.86	1.04	3.24	1.13	1.27	0.63	1.53
2.12	2.01	1.87	1.32	1.90	0.97	2.39	2.33
0.15	0.08	0.83	3.84	0.41	0.84	2.12	0.42
13.23	12.68	10.07	14.51	9.55	7.93	10.88	9.23
3.45	5.51	4.95	2.26	3.08	2.51	3.69	2.51
0.76	0.59	1.67	1.90	0.35	1.09	1.54	1.75
1.40	1.36	3.02	3.16	2.47	1.81	2.65	1.71
0.35	0.00	1.07	0.46	1.07	0.59	2.56	1.84
5.96	7.46	10.71	7.78	6.97	6.00	10.44	7.81
19.19	20.14	20.78	22.29	16.52	13.93	21.32	17.04
5.30	2.85	3.56	3.40	2.84	4.54	1.73	2.34
2.82	2.40	4.35	2.17	2.79	2.80	3.77	2.73
0.25	0.32	0.44	0.30	0.33	0.26	0.36	0.22
0.35	0.44	0.69	0.41	0.80	0.76	0.99	0.55
0.24	0.47	0.59	1.22	0.48	0.45	0.29	0.20
0.36	0.37	0.82	0.45	0.51	0.31	0.52	0.40
1.07	0.84	0.79	0.91	0.67	0.34	0.94	0.66
0.15	0.36	0.33	0.25	0.36	0.16	0.44	0.57
0.74	0.85	0.75	0.72	0.54	1.13	0.52	0.30
2.48	1.30	1.67	1.29	2.06	1.42	1.47	1.35
13.76	10.20	13.99	11.12	11.38	12.17	11.03	9.32
3.25	4.84	1.20	2.12	1.07	0.92	1.10	1.30
0.27	0.00	4.38	5.19	4.57	5.20	2.25	2.56
0.28	0.55	1.12	0.46	1.83	0.55	1.15	1.30
0.20	0.34	0.23	0.19	0.31	0.22	0.27	0.27
0.41	0.72	0.23	0.37	0.47	0.68	0.48	0.57
1.18	2.34	0.15	0.18	0.33	0.79	0.10	0.13
0.82	1.21	1.02	1.07	1.38	1.95	0.83	0.69
0.43	0.05	0.49	0.38	0.86	0.42	0.81	0.91
6.84	10.05	8.82	9.96	10.82	10.73	6.99	7.73

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	24.35	23.53	32.25
Other chargeable materials	7.51	8.15	2.80
Outside services	6.24	5.30	2.80
TOTAL MATERIAL	38.10	36.98	37.85
FACTORY PAYROLL	30.63	26.20	34.13
FACTORY EXPENSES	12.18	11.58	12.30
TOTAL FACTORY COST OF PRODUCT	80.91	74.76	84.28
GROSS PROFIT	19.09	25.24	15.72
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	7.76	6.74	11.28
Selling expenses	5.23	5.95	3.03
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.99	12.69	14.31
INCOME BEFORE INTEREST EXPENSE	6.10	12.55	1.41
Interest expense	2.12	1.61	2.08
OPERATING INCOME (LOSS)	3.98	10.94	(0.67)
Other income	0.84	1.58	0.14
INCOME (LOSS) BEFORE INCOME TAXES	4.82	12.52	(0.53)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.66%	1.79%	0.53%
Film	1.91	1.74	1.02
Plates	1.98	2.50	1.25
Other chargeable materials	1.96	2.12	0.00
TOTAL OTHER CHARGEABLE MATERIALS	7.51	8.15	2.80
OUTSIDE SERVICES			
Composition	0.83	1.46	0.00
Offset preparation	1.09	0.00	0.72
Printing	0.57	0.39	1.99
Binding	2.99	3.24	0.00
Other outside services	0.76	0.21	0.09
TOTAL OUTSIDE SERVICES	6.24	5.30	2.80

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
13.02	8.19	25.81	28.79	25.97	29.06	24.20	26.57
9.42	10.76	5.98	5.26	6.91	3.78	9.79	11.26
9.66	11.69	6.29	5.15	7.24	3.58	4.34	2.29
32.10	30.64	38.08	39.20	40.12	36.42	38.33	40.12
30.95	26.20	31.05	21.32	28.83	25.67	31.08	29.77
13.09	14.46	12.80	13.43	9.95	8.72	13.21	10.34
76.14	71.30	81.93	73.95	78.90	70.81	82.62	80.23
23.86	28.70	18.07	26.05	21.10	29.19	17.38	19.77
9.05	7.27	8.67	6.79	6.74	7.51	6.86	5.83
4.71	6.46	5.56	6.14	6.43	6.77	4.45	4.93
13.76	13.73	14.23	12.93	13.17	14.28	11.31	10.76
10.10	14.97	3.84	13.12	7.93	14.91	6.07	9.01
2.46	2.47	2.48	2.75	2.53	0.94	1.17	0.75
7.64	12.50	1.36	10.37	5.40	13.97	4.90	8.26
0.35	0.75	0.80	2.12	0.82	1.60	1.38	1.77
7.99	13.25	2.16	12.49	6.22	15.57	6.28	10.03

2.98%	3.62%	1.07%		2.49%	0.97%	0.61%	0.80%
1.55	1.94	1.99		1.42	0.93	2.67	2.78
3.14	4.37	1.86		1.52	1.11	1.92	2.10
1.75	0.83	1.06		1.48	0.77	4.59	5.58
9.42	10.76	5.98	***	6.91	3.78	9.79	11.26
0.52	1.43	1.74		0.47		1.12	1.64
3.29	0.00	0.67		0.85		0.05	0.00
0.36	0.98	0.07		0.97		0.32	0.11
5.23	9.28	2.22		4.01		2.20	0.19
0.26	0.00	1.59		0.94		0.65	0.35
9.66	11.69	6.29	***	7.24	***	4.34	2.29

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.07%	1.84%	1.14%
Direct wages	20.13	18.26	31.09
General factory salaries and wages	3.40	1.40	0.00
Packing, shipping and delivery wages	0.69	0.85	0.00
Payroll taxes	1.77	1.31	1.23
Employee benefits	2.57	2.54	0.67
TOTAL FACTORY PAYROLL	30.63	26.20	34.13
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.36	0.23	0.00
Depreciation - other	2.53	2.70	1.93
Taxes - real estate	0.26	0.15	0.00
Taxes - other	0.18	0.10	0.01
Insurance	0.44	0.43	0.11
Building rent	0.92	1.47	2.28
Utilities - heat, light, etc.	1.29	1.09	1.17
Equipment rental	0.78	0.70	2.40
Total Fixed Expenses	6.76	6.87	7.90
Other Expenses			
Factory supplies and expense	2.45	2.11	2.60
Packing, shipping and delivery expense	0.68	0.83	0.40
Repairs and maintenance	1.50	1.23	1.26
Other factory expenses	0.79	0.54	0.14
Total Other Expenses	5.42	4.71	4.40
TOTAL FACTORY EXPENSES	12.18	11.58	12.30
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.84	2.00	1.14
Salaries - office	2.23	1.62	4.11
Payroll taxes	0.22	0.17	0.13
Employee benefits	0.44	0.34	0.17
Bad debts	0.36	0.37	2.24
Office supplies and expenses	0.37	0.25	0.38
Professional fees	0.54	0.44	1.05
Taxes - business	0.23	0.23	0.29
Telephone	0.41	0.45	0.77
Other administrative expenses	1.12	0.87	1.00
TOTAL ADMINISTRATIVE EXPENSES	7.76	6.74	11.28
SELLING EXPENSES			
Salaries - executive	0.93	1.36	2.28
Salaries and commissions - salesmen	1.97	2.01	0.00
Salaries - sales office clerical	0.70	0.53	0.00
Payroll taxes	0.15	0.16	0.00
Employee benefits	0.23	0.36	0.09
Advertising	0.20	0.47	0.31
Travel and entertainment	0.64	0.74	0.12
Other selling expenses	0.41	0.32	0.23
TOTAL SELLING EXPENSES	5.23	5.95	3.03

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.97%	2.48%	2.00%	1.10%	1.78%	1.29%	2.54%	2.28%
22.69	18.32	20.01	18.19	18.42	15.68	18.37	19.96
0.78	0.66	4.96	0.13	3.53	2.95	3.39	1.69
0.83	0.47	0.56	0.61	0.88	2.18	0.69	0.37
1.77	1.61	1.78	0.45	1.58	1.13	1.99	1.82
2.91	2.66	1.74	0.84	2.64	2.44	4.10	3.65
30.95	26.20	31.05	21.32	28.83	25.67	31.08	29.77
0.14	0.00	0.56	0.28	0.23	0.13	0.45	0.41
3.60	3.69	2.41	2.94	2.55	2.47	2.27	2.01
0.20	0.00	0.32	0.13	0.26	0.09	0.31	0.30
0.03	0.05	0.18	0.00	0.20	0.15	0.29	0.18
0.65	0.97	0.46	0.41	0.42	0.33	0.21	0.15
2.71	2.78	0.58	1.87	0.68	0.73	0.34	0.81
1.48	1.41	1.17	0.81	1.16	0.59	1.48	1.41
0.09	0.06	0.49	2.22	0.29	0.53	1.37	0.24
8.90	8.96	6.17	8.66	5.79	5.02	6.72	5.51
2.57	4.15	3.14	1.44	1.90	1.45	2.28	1.63
0.51	0.47	1.05	1.15	0.23	0.70	0.93	0.96
0.88	0.88	1.80	1.92	1.44	1.19	1.63	1.03
0.23	0.00	0.64	0.26	0.59	0.36	1.65	1.21
4.19	5.50	6.63	4.77	4.16	3.70	6.49	4.83
13.09	14.46	12.80	13.43	9.95	8.72	13.21	10.34
3.51	2.06	2.18	2.04	1.67	2.68	1.07	1.48
1.85	1.74	2.71	1.30	1.66	1.79	2.33	1.64
0.17	0.23	0.28	0.19	0.19	0.16	0.22	0.14
0.25	0.29	0.44	0.25	0.47	0.45	0.60	0.35
0.18	0.37	0.38	0.77	0.27	0.31	0.18	0.13
0.23	0.25	0.49	0.28	0.31	0.20	0.33	0.26
0.70	0.59	0.50	0.56	0.40	0.21	0.59	0.42
0.10	0.23	0.20	0.15	0.23	0.10	0.28	0.37
0.47	0.57	0.46	0.45	0.32	0.71	0.32	0.18
1.59	0.94	1.03	0.80	1.22	0.90	0.94	0.86
9.05	7.27	8.67	6.79	6.74	7.51	6.86	5.83
2.32	3.12	0.74	1.24	0.63	0.56	0.68	0.79
0.16	0.00	2.84	3.29	2.69	3.24	1.45	1.64
0.22	0.44	0.67	0.29	1.09	0.39	0.74	0.85
0.14	0.23	0.14	0.12	0.19	0.14	0.17	0.17
0.28	0.45	0.14	0.22	0.28	0.41	0.30	0.37
0.71	1.41	0.10	0.11	0.19	0.49	0.06	0.08
0.56	0.78	0.63	0.65	0.86	1.26	0.53	0.43
0.32	0.03	0.30	0.22	0.50	0.28	0.52	0.60
4.71	6.46	5.56	6.14	6.43	6.77	4.45	4.93

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	2.97%	5.82%	0.29%
Receivables	30.34	28.10	25.07
Inventories	19.09	16.40	16.13
Other current assets	3.90	4.34	0.95
TOTAL CURRENT ASSETS	56.30	54.66	42.44
FIXED ASSETS			
Real estate	15.15	9.66	0.00
Less: Accumulated depreciation	4.61	3.97	0.00
	10.54	5.69	0.00
Machinery and equipment	59.51	61.92	69.77
Less: Accumulated depreciation	31.13	27.62	22.93
	28.38	34.30	46.84
Other fixed assets	4.03	4.15	3.34
Less: Accumulated depreciation	2.16	2.12	0.00
	1.87	2.03	3.34
NET FIXED ASSETS	40.79	42.02	50.18
OTHER ASSETS	2.91	3.32	7.38
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.69	6.82	8.33
Accounts payable	14.78	14.09	31.63
Other current liabilities	9.31	9.57	0.76
TOTAL CURRENT LIABILITIES	33.78	30.48	40.72
LONG-TERM LIABILITIES	30.14	21.82	83.56
TOTAL LIABILITIES	63.92	52.30	124.28
SHAREHOLDERS' AND PROPRIETORS' EQUITY	36.08	47.70	(24.28)
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.67	1.79	1.04
QUICK RATIO	1.10	1.26	0.65
TOTAL LIABILITIES TO EQUITY	1.77	1.10	(5.12)
LONG-TERM LIABILITIES TO EQUITY	0.84	0.46	(3.44)
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.45	0.33

** Sample insufficient for Profit Leader.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
5.15%	9.50%	4.37%	11.82%	1.78%	0.70%	1.91%	2.79%
18.51	27.95	31.52	21.93	34.99	43.42	29.92	22.09
16.80	13.09	20.51	11.28	19.28	20.71	19.34	19.16
9.42	4.10	2.06	0.07	1.29	1.36	7.71	9.32
49.88	54.64	58.46	45.10	57.34	66.19	58.88	53.36
18.44	0.00	16.36	7.21	11.37	7.80	20.89	18.98
4.58	0.00	4.74	0.75	3.00	2.59	7.78	9.69
13.86	0.00	11.62	6.46	8.37	5.21	13.11	9.29
59.56	67.72	62.96	74.00	55.75	55.72	56.20	54.13
30.95	28.68	36.69	28.18	26.54	30.73	32.05	24.46
28.61	39.04	26.27	45.82	29.21	24.99	24.15	29.67
3.60	2.41	4.65	3.26	5.04	8.06	2.71	3.28
1.53	0.87	2.75	1.59	2.98	5.16	1.31	1.27
2.07	1.54	1.90	1.67	2.06	2.90	1.40	2.01
44.54	40.58	39.79	53.95	39.64	33.10	38.66	40.97
5.58	4.78	1.75	0.95	3.02	0.71	2.46	5.67
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
7.74	3.34	11.29	3.53	11.28	9.44	6.49	9.60
9.66	9.79	19.31	31.09	12.32	10.19	9.59	8.23
4.93	6.54	11.46	8.45	8.65	13.94	11.60	9.41
22.33	19.67	42.06	43.07	32.25	33.57	27.68	27.24
20.77	29.67	33.73	31.26	29.38	8.44	22.22	19.20
43.10	49.34	75.79	74.33	61.63	42.01	49.90	46.44
56.90	50.66	24.21	25.67	38.37	57.99	50.10	53.56
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

2.23	2.78	1.39	1.05	1.78	1.97	2.13	1.96
1.48	2.11	0.90	0.79	1.18	1.35	1.43	1.26
0.76	0.97	3.13	2.90	1.61	0.72	1.00	0.87
0.37	0.59	1.39	1.22	0.77	0.15	0.44	0.36
0.52	0.42	0.58	0.38	0.48	0.55	0.57	0.45

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 28,014	$ 34,780	$ 14,516
Average assets per factory employee (Excluding Executives)	35,101	43,331	19,972
Average net worth per employee - All employees	11,027	16,020	(2,750)
Average gross plant investment per factory employee (Excluding Executives)	27,129	32,094	11,763
Net worth percentage of fixed assets	96.85%	136.73%	(43.85)%
EMPLOYEES			
Percent factory - All employees	84.37%	84.66%	80.00%
Percent administrative - All employees	9.53	8.64	15.83
Percent sales - All employees	6.10	6.70	4.17
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 49,073	$ 61,093	$ 31,438
Sales per factory employee	58,698	72,792	41,192
Sales less material per factory employee	35,608	45,062	25,933
Sales per administrative employee	588,202	781,039	208,178
EXCLUDING EXECUTIVES			
Sales per employee - All employees	53,398	67,286	35,382
Sales per factory employee	61,848	76,539	42,601
Sales less material per factory employee	37,517	47,393	26,839
SALES PER SALESMAN	993,803	977,887	0
SALES TO CURRENT ASSETS	359%	345%	714%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	39.36%	34.74%	42.05%
Factory payroll percentage of gross plant investment	80.80	68.10	114.72
Payroll per employee - All employees	$ 18,464	$ 20,388	$ 13,113
Payroll per factory employee	16,957	17,947	13,304
Payroll per administrative employee	24,623	28,579	11,199
Payroll per sales employee	32,147	40,549	11,213
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 14,548	$ 15,233	$ 11,845
Payroll per factory employee	13,904	14,307	12,367
Payroll per administrative employee	14,806	16,104	9,669
Payroll per sales employee	23,708	24,910	0
EXECUTIVE PAYROLL			
Payroll per executive - All executives	33,950	41,125	10,800
Payroll per factory executive	27,765	34,650	13,500
Payroll per administrative executive	41,435	50,122	9,000
Payroll per sales executive	35,218	49,419	10,800
RECEIVABLES			
Collection period	61.6	59.2	48.4
PROFIT			
Gross profit percentage of sales	19.09%	25.24%	15.72%
Average gross profit per factory employee	$ 12,458	$ 20,278	$ 7,321
Income (loss) before taxes percentage of sales	4.82%	12.52%	(0.53)%
Average income (loss) before taxes per employee	$ 2,871	$ 7,914	$ (239)

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 41,018	$ 37,522	$ 25,482	$ 51,150	$ 30,323	$ 21,997	$ 26,959	$ 30,560
53,008	49,447	32,447	62,164	37,489	27,602	32,649	37,185
24,985	19,840	6,109	14,361	10,913	12,703	14,503	16,790
41,410	30,468	27,070	51,677	26,406	19,792	26,116	28,325
124.24%	130.99%	67.97%	47.33%	102.23%	182.65%	145.14%	169.54%
83.32%	82.85%	82.84%	85.36%	83.97%	81.84%	86.83%	87.28%
12.62	11.67	10.52	7.53	7.77	9.53	8.39	6.78
4.06	5.48	6.64	7.11	8.26	8.63	4.78	5.94
$ 54,756	$ 72,748	$ 41,997	$ 56,330	$ 57,335	$ 61,462	$ 51,850	$ 56,252
66,916	89,791	51,270	66,079	68,586	75,171	59,685	64,348
43,788	58,193	31,088	40,569	40,194	46,748	36,228	38,179
511,706	595,952	450,429	754,495	763,341	638,097	743,991	1,017,421
64,011	86,565	45,896	61,310	61,144	65,157	55,233	59,835
72,056	97,346	54,098	68,333	71,518	77,357	63,019	67,595
46,885	62,806	32,800	41,979	41,905	48,074	38,332	40,272
0	0	582,672	698,662	934,773	660,698	1,509,644	1,375,497
268%	336%	330%	251%	347%	422%	354%	361%
39.85%	34.76%	41.18%	30.28%	37.70%	35.50%	38.64%	37.20%
50.94	67.52	70.83	28.72	90.50	101.88	83.05	72.22
$ 19,760	$ 21,858	$ 16,246	$ 16,970	$ 21,266	$ 21,980	$ 19,546	$ 20,626
17,891	19,216	14,807	13,746	19,326	19,173	18,157	19,085
25,557	22,445	22,524	28,325	29,110	33,200	26,856	29,758
34,691	55,831	29,472	41,628	35,579	35,943	37,902	32,711
$ 14,118	$ 13,881	$ 13,561	$ 14,620	$ 16,863	$ 16,619	$ 14,574	$ 15,619
14,182	13,954	12,785	12,539	15,872	15,636	13,879	14,835
16,051	12,986	14,082	16,095	15,450	15,189	16,930	18,798
7,074	10,543	26,788	37,952	30,772	28,697	26,350	23,269
37,269	43,887	27,427	29,094	40,515	51,547	39,861	40,355
22,850	40,140	21,326	24,031	33,939	36,448	35,747	36,872
32,282	33,860	34,832	37,812	49,416	62,361	56,308	61,011
34,857	53,242	20,777	18,835	39,176	57,623	59,271	61,790
51.8	57.4	66.7	77.3	68.5	62.2	56.3	46.3
23.86%	28.70%	18.07%	26.05%	21.10%	29.19%	17.38%	19.77%
$ 19,463	$ 30,930	$ 10,434	$ 18,850	$ 14,842	$ 21,521	$ 10,924	$ 13,300
7.99%	13.25%	2.16%	12.49%	6.22%	15.57%	6.28%	10.03%
$ 5,638	$ 11,191	$ 1,527	$ 7,384	$ 3,495	$ 8,667	$ 3,379	$ 5,580

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $250,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.89	$ 4.13	$ 0.11
Receivables	16.34	15.63	12.10
Inventories	10.67	8.76	7.41
Marketable securities	1.18	1.67	0.00
Other current assets	1.25	0.79	0.44
	31.33	30.98	20.06
Plant Investment:			
Land and building	10.44	6.32	0.00
Machinery and equipment	33.49	37.93	29.90
Other fixed assets	2.11	2.10	1.32
	46.04	46.35	31.22
Non-Current Assets	1.80	2.13	3.41
TOTAL INVESTMENT	79.17	79.46	54.69
INVESTMENT TURNOVER PER $100 OF SALES	126.31%	125.85 %	182.85%
EARNINGS			
Cost of Product	$80.91	$74.76	$84.28
Selling Expenses	5.23	5.95	3.03
Administrative Expenses	7.76	6.74	11.28
	93.90	87.45	98.59
Income Before Interest, Other Income, and Taxes	6.10	12.55	1.41
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.70%	15.79 %	2.58%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.84	$ 6.07	$ 3.04	$10.04	$ 0.90	$ 0.20	$ 0.95	$ 1.51
14.01	15.28	17.87	19.98	17.97	16.45	14.88	12.43
14.57	6.48	11.39	9.97	10.22	7.50	9.63	10.32
1.73	0.00	0.00	0.00	0.02	0.00	4.33	5.01
5.52	1.93	0.95	0.07	0.66	0.47	0.52	0.72
39.67	29.76	33.25	40.06	29.77	24.62	30.31	29.99
22.19	0.00	11.00	7.07	6.68	3.76	11.41	11.72
48.07	41.18	35.92	64.93	30.30	21.07	28.69	29.01
2.79	1.55	2.28	2.87	2.34	2.63	1.63	1.60
73.05	42.73	49.20	74.87	39.32	27.46	41.73	42.33
4.42	3.27	0.90	0.89	1.97	0.23	1.40	3.47
117.14	75.76	83.35	115.82	71.06	52.31	73.44	75.79
85.37%	132.00%	119.98%	86.34%	140.73%	191.17%	136.17%	131.94%
$76.14	$71.30	$81.93	$73.95	$78.90	$70.81	$82.62	$80.23
4.71	6.46	5.56	6.14	6.43	6.77	4.45	4.93
9.05	7.27	8.67	6.79	6.74	7.51	6.86	5.83
89.90	85.03	96.16	86.88	92.07	85.09	93.93	90.99
10.10	14.97	3.84	13.12	7.93	14.91	6.07	9.01
8.62%	19.76%	4.61%	11.33%	11.16%	28.50%	8.27%	11.89%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	49.68	41.82	48.11
FACTORY EXPENSES	19.58	18.10	22.55
TOTAL FACTORY COST OF PRODUCT	69.26	59.92	70.66
GROSS PROFIT	30.74	40.08	29.34
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.15	10.60	9.62
Selling expenses	8.07	10.01	10.07
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.22	20.61	19.69
INCOME BEFORE INTEREST EXPENSE	9.52	19.47	9.65
Interest expense	3.68	2.48	2.99
OPERATING INCOME	5.84	16.99	6.66
Other income	1.34	2.52	1.42
INCOME BEFORE INCOME TAXES	7.18	19.51	8.08

** Sample insufficient for Profit Leaders.

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.41%	3.35%	3.86%
Direct wages	32.47	29.21	33.46
General factory salaries and wages	5.57	1.81	3.57
Packing, shipping and delivery wages	1.02	0.95	1.08
Payroll taxes	2.91	2.08	2.59
Employee benefits	4.30	4.42	3.55
TOTAL FACTORY PAYROLL	49.68	41.82	48.11
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.61	0.39	0.21
Depreciation - other	4.00	3.76	4.53
Taxes - real estate	0.40	0.25	0.46
Taxes - other	0.33	0.15	0.14
Insurance	0.73	0.72	0.54
Building rent	1.56	2.34	1.88
Utilities - heat, light, etc.	2.02	1.83	2.41
Equipment rental	0.89	1.40	4.22
Total Fixed Expenses	10.54	10.84	14.39
Other Expenses			
Factory supplies and expense	3.80	2.67	4.83
Packing, shipping and delivery expense	1.19	1.44	0.50
Repairs and maintenance	2.62	2.11	2.05
Other factory expenses	1.43	1.04	0.78
Total Other Expenses	9.04	7.26	8.16
TOTAL FACTORY EXPENSES	19.58	18.10	22.55
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.04	3.35	2.63
Salaries - office	3.90	2.40	2.06
Payroll taxes	0.36	0.26	0.36
Employee benefits	0.75	0.61	0.53
Bad debts	0.61	0.44	0.41
Office supplies and expenses	0.64	0.41	0.41
Professional fees	0.91	0.73	0.74
Taxes - business	0.41	0.41	0.17
Telephone	0.69	0.68	0.54
Other administrative expenses	1.84	1.31	1.77
TOTAL ADMINISTRATIVE EXPENSES	13.15	10.60	9.62
SELLING EXPENSES			
Salaries - executive	1.36	2.39	1.30
Salaries and commissions - salesmen	3.17	3.42	3.65
Salaries - sales office clerical	1.11	0.69	1.58
Payroll taxes	0.24	0.28	0.29
Employee benefits	0.36	0.69	0.35
Advertising	0.34	0.92	0.25
Travel and entertainment	0.86	1.09	1.90
Other selling expenses	0.63	0.53	0.75
TOTAL SELLING EXPENSES	8.07	10.01	10.07

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	26.17	26.50	15.22
Other chargeable materials	7.75	8.02	7.61
Outside services	5.67	5.70	9.78
TOTAL MATERIAL	39.59	40.22	32.61
FACTORY PAYROLL	30.12	24.73	32.36
FACTORY EXPENSES	11.83	10.87	15.55
TOTAL FACTORY COST OF PRODUCT	81.54	75.82	80.52
GROSS PROFIT	18.46	24.18	19.48
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	7.99	6.43	6.49
Selling expenses	4.94	6.13	6.48
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.93	12.56	12.97
INCOME BEFORE INTEREST EXPENSE	5.53	11.62	6.51
Interest expense	2.17	1.45	2.00
OPERATING INCOME	3.36	10.17	4.51
Other income	0.80	1.53	1.01
INCOME BEFORE INCOME TAXES	4.16	11.70	5.52

SUPPORTING SCHEDULES - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	1.03%	0.59%	3.96%
Film	2.28	2.48	0.95
Plates	2.00	1.92	2.28
Other chargeable materials	2.44	3.03	0.42
TOTAL OTHER CHARGEABLE MATERIALS	7.75	8.02	7.61
OUTSIDE SERVICES			
Composition	0.83	1.57	1.32
Offset preparation	0.58	0.00	1.92
Printing	0.65	0.42	0.02
Binding	2.87	3.49	5.03
Other outside services	0.74	0.22	1.49
TOTAL OUTSIDE SERVICES	5.67	5.70	9.78

** Sample insufficient for Profit Leaders.

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.09%	2.06%	2.53%
Direct wages	19.42	17.09	22.55
General factory salaries and wages	3.64	1.13	2.32
Packing, shipping and delivery wages	0.60	0.57	0.82
Payroll taxes	1.76	1.23	1.81
Employee benefits	2.61	2.65	2.33
TOTAL FACTORY PAYROLL	30.12	24.73	32.36
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.38	0.25	0.13
Depreciation - other	2.40	2.27	3.10
Taxes - real estate	0.25	0.16	0.32
Taxes - other	0.20	0.10	0.11
Insurance	0.44	0.43	0.39
Building rent	0.91	1.33	1.36
Utilities - heat, light, etc.	1.22	1.10	1.70
Equipment rental	0.53	0.81	2.83
Total Fixed Expenses	6.33	6.45	9.94
Other Expenses			
Factory supplies and expense	2.34	1.67	3.54
Packing, shipping and delivery expense	0.73	0.82	0.38
Repairs and maintenance	1.56	1.27	1.27
Other factory expenses	0.87	0.66	0.42
Total Other Expenses	5.50	4.42	5.61
TOTAL FACTORY EXPENSES	11.83	10.87	15.55
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.83	2.01	1.83
Salaries - office	2.37	1.43	1.41
Payroll taxes	0.22	0.16	0.23
Employee benefits	0.46	0.37	0.34
Bad debts	0.37	0.28	0.28
Office supplies and expenses	0.39	0.25	0.27
Professional fees	0.56	0.45	0.50
Taxes - business	0.25	0.26	0.13
Telephone	0.42	0.41	0.36
Other administrative expenses	1.12	0.81	1.14
TOTAL ADMINISTRATIVE EXPENSES	7.99	6.43	6.49
SELLING EXPENSES			
Salaries - executive	0.82	1.42	0.94
Salaries and commissions - salesmen	1.99	2.12	2.15
Salaries - sales office clerical	0.67	0.45	1.07
Payroll taxes	0.14	0.17	0.21
Employee benefits	0.22	0.42	0.24
Advertising	0.20	0.55	0.14
Travel and entertainment	0.52	0.66	1.27
Other selling expenses	0.38	0.34	0.46
TOTAL SELLING EXPENSES	4.94	6.13	6.48

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	2.82%	5.31%	4.52%
Receivables	29.96	26.73	35.14
Inventories	19.15	17.95	18.54
Other current assets	3.74	5.34	3.73
TOTAL CURRENT ASSETS	55.67	55.33	61.93
FIXED ASSETS			
Real estate	16.02	10.19	5.12
Less: Accumulated depreciation	4.93	4.36	1.52
	11.09	5.83	3.60
Machinery and equipment	58.70	58.81	64.44
Less: Accumulated depreciation	29.97	24.89	36.76
	28.73	33.92	27.68
Other fixed assets	3.47	4.22	7.95
Less: Accumulated depreciation	1.78	2.15	4.62
	1.69	2.07	3.33
NET FIXED ASSETS	41.51	41.82	34.61
OTHER ASSETS	2.82	2.85	3.46
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.65	6.92	11.05
Accounts payable	15.24	15.18	14.11
Other current liabilities	8.86	9.37	12.77
TOTAL CURRENT LIABILITIES	33.75	31.47	37.93
LONG-TERM LIABILITIES	31.97	20.91	24.31
TOTAL LIABILITIES	65.72	52.38	62.24
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.28	47.62	37.76
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.65	1.76	1.63
QUICK RATIO	1.08	1.19	1.14
TOTAL LIABILITIES TO EQUITY	1.92	1.10	1.65
LONG-TERM LIABILITIES TO EQUITY	0.93	0.44	0.64
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.42	0.57

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 27,837	$ 37,458	$ 29,096
Average assets per factory employee (Excluding Executives)	35,193	46,956	35,158
Average net worth per employee - All employees	10,604	17,150	10,857
Average gross plant investment per factory employee (Excluding Executives)	26,958	33,813	26,808
Net worth percentage of fixed assets	92.16%	143.06%	109.97%
EMPLOYEES			
Percent factory - All employees	83.97%	84.73%	86.61%
Percent administrative - All employees	10.06	8.53	6.78
Percent sales - All employees	5.97	6.74	6.61
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 48,783	$ 65,914	$ 52,770
Sales per factory employee	58,704	78,577	61,018
Sales less material per factory employee	34,843	46,851	39,686
Sales per administrative employee	547,749	861,803	835,117
EXCLUDING EXECUTIVES			
Sales per employee - All employees	53,237	73,195	56,886
Sales per factory employee	61,961	83,097	64,409
Sales less material per factory employee	36,797	49,628	41,859
SALES PER SALESMAN	954,165	1,038,969	1,317,321
SALES TO CURRENT ASSETS	368%	347%	311%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	38.84%	33.29%	40.79%
Factory payroll percentage of gross plant investment	79.44	69.04	97.99
Payroll per employee - All employees	$ 18,044	$ 21,246	$ 20,870
Payroll per factory employee	16,589	18,460	19,143
Payroll per administrative employee	23,647	30,412	28,860
Payroll per sales employee	30,859	43,546	39,403
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 14,151	$ 15,456	$ 16,779
Payroll per factory employee	13,511	14,394	15,971
Payroll per administrative employee	14,517	16,347	14,750
Payroll per sales employee	23,563	26,103	28,949
EXECUTIVE PAYROLL			
Payroll per executive - All executives	32,988	43,350	37,314
Payroll per factory executive	27,925	36,134	31,399
Payroll per administrative executive	41,047	55,157	45,978
Payroll per sales executive	33,923	52,660	39,512
RECIEVABLES			
Collection period	61.2	56.3	68.8
PROFIT			
Gross profit percentage of sales	18.46%	24.18%	19.48%
Average gross profit per factory employee	$ 12,277	$ 21,528	$ 12,292
Income before taxes percentage of sales	4.16%	11.70%	5.52%
Average income before taxes per employee	$ 2,660	$ 8,149	$ 2,757

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.80	$ 3.82	$ 2.70
Receivables	16.24	14.90	18.19
Inventories	10.69	9.61	9.70
Marketable securities	0.88	2.15	2.16
Other current assets	1.35	0.88	0.48
	30.96	31.36	33.23
Plant Investment:			
Land and building	10.99	7.05	3.69
Machinery and equipment	32.72	36.10	36.13
Other fixed assets	1.75	2.05	4.38
	45.46	45.20	44.20
Non-Current Assets	1.71	1.78	2.14
TOTAL INVESTMENT	78.13	78.34	79.57
INVESTMENT TURNOVER PER $100 OF SALES	127.99%	127.65%	125.68%
EARNINGS			
Cost of Product	$81.54	$75.82	$80.52
Selling Expenses	4.94	6.13	6.48
Administrative Expenses	7.99	6.43	6.49
	94.47	88.38	93.49
Income Before Interest, Other Income, and Taxes	5.53	11.62	6.51
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.08%	14.83%	8.18%

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	49.20	40.51	49.52	46.43
FACTORY EXPENSES	19.74	18.30	19.79	17.87
TOTAL FACTORY COST OF PRODUCT	68.94	58.81	69.31	64.30
GROSS PROFIT	31.06	41.19	30.69	35.70
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	12.92	10.05	11.07	12.29
Selling expenses	8.92	9.62	6.59	8.68
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.84	19.67	17.66	20.97
INCOME BEFORE INTEREST EXPENSE	9.22	21.52	13.03	14.73
Interest expense	3.62	3.00	3.30	1.04
OPERATING INCOME	5.60	18.52	9.73	13.69
Other income	1.15	2.19	2.23	3.48
INCOME BEFORE INCOME TAXES	6.75	20.71	11.96	17.17

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.54%	2.73%	2.21%	3.64%
Direct wages	32.75	29.30	32.18	29.44
General factory salaries and wages	5.39	1.68	4.85	3.67
Packing, shipping and delivery wages	1.10	1.14	1.21	1.87
Payroll taxes	2.78	1.90	3.07	2.72
Employee benefits	3.64	3.76	6.00	5.09
TOTAL FACTORY PAYROLL	49.20	40.51	49.52	46.43
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.60	0.37	0.41	0.27
Depreciation - other	4.02	4.36	4.36	3.49
Taxes - real estate	0.40	0.23	0.44	0.19
Taxes - other	0.25	0.15	0.50	0.17
Insurance	0.74	0.74	0.53	0.51
Building rent	1.71	2.53	1.00	1.82
Utilities - heat, light, etc.	2.03	1.63	2.09	2.10
Equipment rental	1.54	1.33	0.26	0.74
Total Fixed Expenses	11.29	11.34	9.59	9.29
Other Expenses				
Factory supplies and expense	3.39	2.81	5.73	4.22
Packing, shipping and delivery expense	1.18	1.46	0.76	1.11
Repairs and maintenance	2.51	2.10	2.49	1.53
Other factory expenses	1.37	0.59	1.22	1.72
Total Other Expenses	8.45	6.96	10.20	8.58
TOTAL FACTORY EXPENSES	19.74	18.30	19.79	17.87
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.96	2.66	3.28	4.96
Salaries - office	3.71	2.63	3.03	2.29
Payroll taxes	0.34	0.27	0.35	0.26
Employee benefits	0.62	0.43	1.06	0.92
Bad debts	0.64	0.65	0.22	0.18
Office supplies and expenses	0.61	0.36	0.60	0.47
Professional fees	0.97	0.65	0.51	0.80
Taxes - business	0.39	0.44	0.29	0.07
Telephone	0.68	0.63	0.59	0.96
Other administrative expenses	2.00	1.33	1.14	1.38
TOTAL ADMINISTRATIVE EXPENSES	12.92	10.05	11.07	12.29
SELLING EXPENSES				
Salaries - executive	1.61	2.50	0.95	1.09
Salaries and commissions - salesmen	3.42	2.94	2.25	3.97
Salaries - sales office clerical	1.17	0.80	1.19	0.70
Payroll taxes	0.25	0.26	0.21	0.25
Employee benefits	0.33	0.52	0.48	0.83
Advertising	0.36	0.85	0.21	0.53
Travel and entertainment	1.03	1.18	0.90	1.12
Other selling expenses	0.75	0.57	0.40	0.19
TOTAL SELLING EXPENSES	8.92	9.62	6.59	8.68

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	22.24	22.36	33.21	27.63
Other chargeable materials	7.84	7.66	6.58	9.87
Outside services	6.86	6.39	3.80	1.50
TOTAL MATERIAL	36.94	36.41	43.59	39.00
FACTORY PAYROLL	31.13	25.55	27.86	28.43
FACTORY EXPENSES	12.48	11.76	11.23	10.97
TOTAL FACTORY COST OF PRODUCT	80.55	73.72	82.68	78.40
GROSS PROFIT	19.45	26.28	17.32	21.60
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	8.11	6.56	6.24	7.36
Selling expenses	5.68	6.16	3.64	5.19
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	13.79	12.72	9.88	12.55
INCOME BEFORE INTEREST EXPENSE	5.66	13.56	7.44	9.05
Interest expense	2.21	1.89	1.84	0.64
OPERATING INCOME	3.45	11.67	5.60	8.41
Other income	0.75	1.42	1.24	2.13
INCOME BEFORE INCOME TAXES	4.20	13.09	6.84	10.54

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.73%	1.66%	1.46%	2.54%
Film	2.09	1.61	1.25	2.42
Plates	2.11	2.35	1.54	2.91
Other chargeable materials	1.91	2.04	2.33	2.00
TOTAL OTHER CHARGEABLE MATERIALS	7.84	7.66	6.58	9.87
OUTSIDE SERVICES				
Composition	0.96	1.76	0.28	
Offset preparation	1.27	0.00	0.18	
Printing	0.61	0.48	0.46	
Binding	3.22	3.90	2.20	
Other outside services	0.80	0.25	0.68	
TOTAL OUTSIDE SERVICES	6.86	6.39	3.80	***

*** Information not submitted.

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.21%	1.73%	1.24%	2.26%
Direct wages	20.50	18.29	18.03	18.13
General factory salaries and wages	3.61	1.16	2.83	2.21
Packing, shipping and delivery wages	0.71	0.77	0.67	1.11
Payroll taxes	1.77	1.21	1.72	1.67
Employee benefits	2.33	2.39	3.37	3.05
TOTAL FACTORY PAYROLL	31.13	25.55	27.86	28.43
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.39	0.24	0.23	0.17
Depreciation - other	2.53	2.85	2.46	2.16
Taxes - real estate	0.27	0.16	0.23	0.13
Taxes - other	0.16	0.10	0.29	0.10
Insurance	0.46	0.46	0.30	0.31
Building rent	1.04	1.58	0.58	1.08
Utilities - heat, light, etc.	1.29	1.03	1.18	1.31
Equipment rental	0.97	0.78	0.15	0.45
Total Fixed Expenses	7.11	7.20	5.42	5.71
Other Expenses				
Factory supplies and expense	2.24	1.99	3.33	2.56
Packing, shipping and delivery expense	0.75	0.88	0.43	0.68
Repairs and maintenance	1.53	1.31	1.36	0.94
Other factory expenses	0.85	0.38	0.69	1.08
Total Other Expenses	5.37	4.56	5.81	5.26
TOTAL FACTORY EXPENSES	12.48	11.76	11.23	10.97
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.88	1.74	1.85	2.92
Salaries - office	2.31	1.69	1.71	1.38
Payroll taxes	0.22	0.18	0.20	0.15
Employee benefits	0.40	0.28	0.59	0.55
Bad debts	0.40	0.44	0.11	0.12
Office supplies and expenses	0.38	0.23	0.34	0.29
Professional fees	0.61	0.43	0.29	0.50
Taxes - business	0.25	0.28	0.17	0.04
Telephone	0.42	0.41	0.33	0.57
Other administrative expenses	1.24	0.88	0.65	0.84
TOTAL ADMINISTRATIVE EXPENSES	8.11	6.56	6.24	7.36
SELLING EXPENSES				
Salaries - executive	1.06	1.55	0.53	0.66
Salaries and commissions - salesmen	2.16	1.90	1.27	2.33
Salaries - sales office clerical	0.74	0.56	0.63	0.46
Payroll taxes	0.16	0.17	0.11	0.15
Employee benefits	0.21	0.33	0.27	0.50
Advertising	0.22	0.52	0.12	0.30
Travel and entertainment	0.66	0.76	0.50	0.67
Other selling expenses	0.47	0.37	0.21	0.12
TOTAL SELLING EXPENSES	5.68	6.16	3.64	5.19

BALANCE SHEET

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	2.60%	7.06%	2.04%	1.49%
Receivables	31.58	27.16	27.37	31.37
Inventories	19.06	15.29	19.70	20.31
Other current assets	3.12	3.27	7.21	8.05
TOTAL CURRENT ASSETS	56.36	52.78	56.32	61.22
FIXED ASSETS				
Real estate	15.04	9.22	14.34	11.20
Less: Accumulated depreciation	4.52	3.96	4.82	4.00
	10.52	5.26	9.52	7.20
Machinery and equipment	60.85	63.63	56.97	55.97
Less: Accumulated depreciation	32.89	27.05	25.97	29.61
	27.96	36.58	31.00	26.36
Other fixed assets	4.04	3.14	3.52	7.65
Less: Accumulated depreciation	2.08	1.41	2.00	4.60
	1.96	1.73	1.52	3.05
NET FIXED ASSETS	40.44	43.57	42.04	36.61
OTHER ASSETS	3.20	3.65	1.64	2.17
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	10.44	7.54	7.62	4.31
Accounts payable	16.03	16.28	11.07	6.46
Other current liabilities	9.58	7.77	8.35	15.83
TOTAL CURRENT LIABILITIES	36.05	31.59	27.04	26.60
LONG-TERM LIABILITIES	32.26	24.95	23.45	10.86
TOTAL LIABILITIES	68.31	56.54	50.49	37.46
SHAREHOLDERS' AND PROPRIETORS' EQUITY	31.69	43.46	49.51	62.54
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.56	1.67	2.08	2.30
QUICK RATIO	1.03	1.19	1.35	1.54
TOTAL LIABILITIES TO EQUITY	2.16	1.30	1.02	0.60
LONG-TERM LIABILITIES TO EQUITY	1.02	0.57	0.47	0.17
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.54	0.43	0.46	0.53

SIGNIFICANT FACTS

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 27,839	$ 36,910	$ 29,373	$ 27,323
Average assets per factory employee (Excluding Executives)	35,247	46,228	35,274	33,194
Average net worth per employee - All employees	9,915	15,710	14,896	17,106
Average gross plant investment per factory employee (Excluding Executives)	27,508	34,056	26,449	25,229
Net worth percentage of fixed assets	85.77%	123.81%	132.06%	181.96%
EMPLOYEES				
Percent factory - All employees	83.87%	84.33%	86.48%	85.80%
Percent administrative - All employees	9.79	8.77	8.26	8.21
Percent sales - All employees	6.34	6.90	5.26	5.99
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 46,861	$ 60,345	$ 58,968	$ 63,709
Sales per factory employee	56,500	72,137	68,774	75,083
Sales less material per factory employee	35,072	45,029	38,177	45,178
Sales per administrative employee	553,652	768,872	751,712	823,621
EXCLUDING EXECUTIVES				
Sales per employee - All employees	51,362	66,987	62,733	68,330
Sales per factory employee	59,773	75,962	71,401	78,561
Sales less material per factory employee	37,084	47,416	39,615	47,311
SALES PER SALESMAN	945,985	652,042	1,169,134	1,792,500
SALES TO CURRENT ASSETS	350%	328%	398%	404%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	40.26%	33.94%	35.01%	37.55%
Factory payroll percentage of gross plant investment	79.91	60.22	83.42	95.71
Payroll per employee - All employees	$ 17,941	$ 19,405	$ 20,616	$ 23,828
Payroll per factory employee	16,465	17,143	18,877	20,761
Payroll per administrative employee	23,178	25,654	30,879	38,820
Payroll per sales employee	31,333	39,639	36,287	43,733
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 14,333	$ 14,668	$ 15,493	$ 17,209
Payroll per factory employee	13,662	13,733	14,929	16,318
Payroll per administrative employee	14,628	16,487	15,583	14,763
Payroll per sales employee	22,819	22,749	27,439	32,475
EXECUTIVE PAYROLL				
Payroll per executive - All executives	31,408	36,783	44,687	56,319
Payroll per factory executive	26,209	34,501	33,903	35,172
Payroll per administrative executive	37,378	38,210	58,729	91,815
Payroll per sales executive	32,010	37,726	49,698	90,346
RECEIVABLES				
Collection period	66.0	63.1	47.9	45.6
PROFIT				
Gross profit percentage of sales	19.45%	26.28%	17.32%	21.60%
Average gross profit per factory employee	$ 12,499	$ 21,151	$ 12,503	$ 17,225
Income before taxes percentage of sales	4.20%	13.09%	6.84%	10.54%
Average income before taxes per employee	$ 2,575	$ 8,311	$ 4,010	$ 6,522

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.71	$ 5.11	$ 1.12	$ 0.71
Receivables	17.54	16.62	12.57	12.16
Inventories	11.02	8.80	9.54	8.62
Marketable securities	0.77	0.94	2.88	4.23
Other current assets	1.30	0.84	1.16	0.62
	32.34	32.31	27.27	26.34
Plant Investment:				
Land and building	10.97	6.07	7.77	7.21
Machinery and equipment	35.06	41.44	28.81	25.63
Other fixed assets	2.18	1.94	1.52	2.67
	48.21	49.45	38.10	35.51
Non-Current Assets	2.05	2.39	0.72	1.19
TOTAL INVESTMENT	82.60	84.15	66.09	63.04
INVESTMENT TURNOVER PER $100 OF SALES	121.07%	118.84%	151.31%	158.63%
EARNINGS				
Cost of Product	$80.55	$73.72	$82.68	$78.40
Selling Expenses	5.68	6.16	3.64	5.19
Administrative Expenses	8.11	6.56	6.24	7.36
	94.34	86.44	92.56	90.95
Income Before Interest, Other Income, and Taxes	5.66	13.56	7.44	9.05
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.85%	16.11%	11.26%	14.36%

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	44	$ 3,782,000	$ 7,213,000	$ 415,000
TOTAL - PROFIT LEADERS*	9	5,118,000	8,758,000	1,059,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	2	106,000	235,000	(1,000)
$500,000-$1,500,000	5	911,000	1,112,000	92,000
$1,500,000-$5,000,000	14	1,886,000	3,107,000	90,000
$5,000,000-$10,000,000	12	3,731,000	6,956,000	453,000
Over $10,000,000	10	9,036,000	18,396,000	1,109,000
PROFIT LEADERS				
$500,000-$1,500,000	2	663,000	1,157,000	151,000
$1,500,000-$5,000,000	2	3,438,000	3,772,000	499,000
$5,000,000-$10,000,000	2	2,906,000	7,184,000	1,236,000
Over $10,000,000	3	10,682,000	18,198,000	1,920,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	37	3,860,000	7,422,000	393,000
Printing Only	5	3,658,000	6,518,000	326,000
PROFIT LEADERS				
Printing and Binding	7	5,848,000	9,814,000	1,062,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	34	3,469,000	6,554,000	318,000
Web-Fed Offset	9	5,165,000	10,149,000	801,000
PROFIT LEADERS				
Sheet-Fed Offset	7	4,031,000	6,854,000	847,000
Web-Fed Offset	2	8,922,000	15,419,000	1,800,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 36.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2%	divided by 3 = 20.7%

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 N. Lynn Street
Arlington, VA 22209
(703) 841-8136

58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
Large Printing Firms

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Printing Industries of America Inc.

Management Services Department
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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR LARGE PRINTING FIRMS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics of printing firms with sales over $10 million within sales categories of $10 to $20 million, etc.; and product speciality - for example, Commercial and Advertising, etc.

Thus, the user of the report can direct himself to the standards for his sales size and product specialty in the Report on Operations and its Supporting Schedules based on Value Added, Report on Operations and Supporting Schedules based on Sales, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 110 printing firms.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
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Arlington, VA 22209 — 703-841-8136

TABLE OF CONTENTS

Page Number

FOREWORD 2

VALUE ADDED - A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFIT 4- 5

CHAPTER 1 - BY SIZE OF FIRM 6-19
    Report on Operations - Value Added = 100% 6- 7
    Supporting Schedules - Value Added = 100% 8- 9
    Report on Operations - Sales = 100% 10-11
    Supporting Schedules - Sales = 100% 10-13
    Balance Sheet 14-15
    Significant Facts 16-17
    Return on Investment - Per $100 of Sales 18-19

CHAPTER 2 - BY PRODUCT SPECIALTY 20-33
    Report on Operations - Value Added = 100% 20-21
    Supporting Schedules - Value Added = 100% 22-23
    Report on Operations - Sales = 100% 24-25
    Supporting Schedules - Sales = 100% 24-27
    Balance Sheet 28-29
    Significant Facts 30-31
    Return on Investment - Per $100 of Sales 32-33

ABSOLUTE DATA 34-35

Printing Industries of America, Inc. recognizes that the industry's largest printing firms have some unique needs which are not generally being met in the industry. For this reason PIA has developed programs and services for the benefit of these companies. One of these services is this special ratio study undertaken exclusively for companies of this size. Another effort on the part of PIA to meet the needs of large firms is the Conference Board of Major Printers. Listed below is information regarding this PIA special section.

- CBMP is the only organization dedicated to the needs of the large printers.
- Membership is limited to Chief Executive Officers of selected printing companies.
- CBMP pursues specific projects of special interest to large printers, via special presentations at the Quarterly Meetings, and via monthly *UP-DATE SURVEYS* and *REPORTS* on current topics of interest.
- CBMP represents the interests of the major printers within PIA, by assuring that appropriate PIA programs are offered to its members.
- CBMP provides basic leadership to the printing industry as a whole.
- CBMP studies the impact of government regulations and legislation on the large printing organizations.
- CBMP studies the impact on large printers of suppliers of equipment and materials.
- CBMP strives toward better understanding of customer needs through its own special studies.
- CBMP is comprised of over 40 member companies who produce every type of printed product.

Terry A. Nagi

Terry A. Nagi, Executive Director
Conference Board of Major Printers
(703) 841-8168

VALUE ADDED - A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFITS

Value Added - What Is It?

In printing, Value Added is simply your sales less material costs. It is the technical term for sales of your own manufacture and is also referred to as Inside Sales.

Ignoring the Value Added concept produces a poor profit. Of course, there can be several reasons for poor operating performance. In many cases, though, at least one of the answers can be found in a basic fact of accounting:

"Profit is achieved from Sales of your own manufacture."

Value Added and Profit

Too often, printers look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

For example, consider the following two possible results of a printing operation for a given month:

	FIRM A	FIRM B
Sales	$100,000	$ 90,000
Materials	35,000	15,000
Inside Sales	$ 65,000	$ 75,000

As shown above, sales of $100,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 a month that provide $75,000 of Inside Sales. The latter yields $10,000 more to cover overhead. Clearly, the sales figures in the statement are misleading; Value Added gives a truer picture of profit.

Note that the deficiency is not in sales; Firm A has more sales per month. It is the Value Added that is short. Management must understand that "Inside Sales" pay the rent, insurance, and administrative expenses - and make a profit.

Put another way: If you sell a press for $50 an hour, you recover the full $50 with which to pay overhead. But if you sell materials for $50 plus a 20% mark-up, you are left with only $10 to pay overhead. Obviously the press is the "better sale." There is nothing wrong in selling materials at $10 Value Added. The only thing wrong is to believe that the press and the materials are equally valuable sales; clearly they are not.

> There are 'good sales' and 'better sales.' 'Better sales' are those with the higher dollar Value Added - all others are just 'good sales'."

PIA Value Added Ratios - A Truer Picture

It may be said that you are not similar to the average printer because of your product mix. If you compare your operation to the PIA ratios on the basis of sales, there will be distortion due to variations in materials. But your percentages of the base Value Added will exclude these variations, giving reliable data for evaluating your operations.

In keeping with the Value Added concept, management would be better informed if it prepared its Profit and Loss Statement on the basis of Inside Sales, as shown in the accompanying table. This type of presentation is more meaningful because it advises management to start its financial analysis with Value Added, rather than sales volume.

STATEMENT OF INCOME BASED ON VALUE ADDED

Sales or Value of Product	$ X	
Less: Paper, Other Chargeable Materials and Outside Services	X	
Value Added By Manufacture	X	100.00%*
Factory Payroll	X	38.66
Factory Expenses	X	17.47
Total Factory Cost of Product	X	56.13
Gross Profit	X	43.87
Administrative and Selling Expenses		
Administrative Expenses	X	14.22
Selling Expenses	X	10.64
Total Administrative and Selling Expenses	X	24.86
Income Before Interest Expense	X	19.01
Interest Expense	X	2.00
Operating Income	X	17.01
Other Income	X	1.28
Income Before Income Taxes	X	18.29%

* Source: Report on Operations (Profit Leaders)
1981 PIA Ratio Study, Sales Volume Study

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.14	42.87	46.61	42.16
FACTORY EXPENSES	19.99	17.54	20.56	18.11
TOTAL FACTORY COST OF PRODUCT	67.13	60.41	67.17	60.27
GROSS PROFIT	32.87	39.59	32.83	39.73
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.27	9.33	10.74	10.36
Selling expenses	10.13	10.22	10.47	9.88
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.40	19.55	21.21	20.24
INCOME BEFORE INTEREST EXPENSE	12.47	20.04	11.62	19.49
Interest expense	2.83	1.71	3.23	2.06
OPERATING INCOME	9.64	18.33	8.39	17.43
Other income	1.33	0.85	1.66	1.32
INCOME BEFORE INCOME TAXES	10.97	19.18	10.05	18.75

* See page 10 for the definition of "Profit Leaders."

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
48.03	44.63	47.15	40.80
19.02	16.54	19.23	17.81
67.05	61.17	66.38	58.61
32.95	38.83	33.62	41.39
9.61	7.79	9.46	8.82
9.63	9.74	10.14	13.80
19.24	17.53	19.60	22.62
13.71	21.30	14.02	18.77
2.33	1.40	1.87	0.73
11.38	19.90	12.15	18.04
0.80	0.00	0.96	1.12
12.18	19.90	13.11	19.16

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.24%	1.96%	2.22%	1.87%
Direct wages	29.74	27.11	29.71	27.11
General factory salaries and wages	5.82	5.36	5.46	4.51
Packing, shipping and delivery wages	1.52	1.28	1.58	1.35
Payroll taxes	2.73	2.52	2.82	2.66
Employee benefits	5.09	4.64	4.82	4.66
TOTAL FACTORY PAYROLL	47.14	42.87	46.61	42.16
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.76	0.35	1.03	0.33
Depreciation - other	3.89	3.98	3.89	4.16
Taxes - real estate	0.36	0.40	0.34	0.35
Taxes - other	0.26	0.18	0.32	0.20
Insurance	0.42	0.30	0.47	0.32
Building rent	0.95	0.84	1.09	0.95
Utilities - heat, light, etc.	2.14	1.89	2.04	1.70
Equipment rental	0.69	0.32	0.77	0.28
Total Fixed Expenses	9.47	8.26	9.95	8.29
Other Expenses				
Factory supplies and expense	4.36	3.75	3.97	3.58
Packing, shipping and delivery expense	2.07	2.27	2.48	2.99
Repairs and maintenance	2.53	2.09	2.63	2.07
Other factory expenses	1.56	1.17	1.53	1.18
Total Other Expenses	10.52	9.28	10.61	9.82
TOTAL FACTORY EXPENSES	19.99	17.54	20.56	18.11
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.08	2.09	2.39	2.41
Salaries - office	2.90	2.65	3.02	2.96
Payroll taxes	0.30	0.28	0.30	0.29
Employee benefits	0.78	0.66	0.76	0.72
Bad debts	0.45	0.36	0.51	0.38
Office supplies and expenses	0.55	0.43	0.51	0.42
Professional fees	0.65	0.52	0.61	0.55
Taxes - business	0.16	0.22	0.20	0.32
Telephone	0.50	0.43	0.53	0.51
Other administrative expenses	1.90	1.69	1.91	1.80
TOTAL ADMINISTRATIVE EXPENSES	10.27	9.33	10.74	10.36
SELLING EXPENSES				
Salaries - executive	1.05	1.15	1.12	1.23
Salaries and commissions - salesmen	4.69	4.91	5.10	4.76
Salaries - sales office clerical	1.11	0.87	1.06	0.81
Payroll taxes	0.27	0.25	0.29	0.29
Employee benefits	0.45	0.47	0.40	0.43
Advertising	0.34	0.32	0.36	0.26
Travel and entertainment	0.98	0.83	0.96	0.85
Other selling expenses	1.24	1.42	1.18	1.25
TOTAL SELLING EXPENSES	10.13	10.22	10.47	9.88

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.29%	2.17%	2.44%	1.72%
30.13	27.49	29.03	25.82
5.83	6.23	7.29	7.24
1.46	1.40	1.53	0.45
2.75	2.68	1.93	1.17
5.57	4.66	4.93	4.40
48.03	44.63	47.15	40.80
0.34	0.36	0.41	0.26
3.85	3.71	3.89	3.83
0.38	0.47	0.50	0.47
0.16	0.16	0.22	0.19
0.34	0.30	0.46	0.21
0.82	0.81	0.48	0.34
2.27	2.20	2.38	1.94
0.54	0.42	0.76	0.25
8.70	8.43	9.10	7.49
5.01	3.90	4.61	4.20
1.36	1.03	1.70	2.51
2.40	2.21	2.14	1.73
1.55	0.97	1.68	1.88
10.32	8.11	10.13	10.32
19.02	16.54	19.23	17.81
1.64	1.74	1.49	1.50
2.68	2.25	2.91	2.31
0.32	0.31	0.23	0.11
0.84	0.53	0.62	0.71
0.35	0.35	0.48	0.24
0.59	0.37	0.65	0.67
0.83	0.55	0.33	0.32
0.10	0.11	0.18	0.08
0.45	0.36	0.47	0.23
1.81	1.22	2.10	2.65
9.61	7.79	9.46	8.82
0.88	0.78	1.26	2.01
4.06	4.66	4.41	6.54
1.22	0.80	1.18	1.48
0.25	0.22	0.19	0.17
0.54	0.50	0.46	0.60
0.29	0.36	0.37	0.51
1.03	0.78	1.02	0.91
1.36	1.64	1.25	1.58
9.63	9.74	10.14	13.80

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	28.40	26.97	27.61	26.31
Other chargeable materials	7.25	7.03	6.91	6.05
Outside services	6.15	4.66	6.68	5.01
TOTAL MATERIAL	41.80	38.66	41.20	37.37
FACTORY PAYROLL	27.46	26.48	27.33	26.50
FACTORY EXPENSES	11.53	10.73	11.99	11.37
TOTAL FACTORY COST OF PRODUCT	80.79	75.87	80.52	75.24
GROSS PROFIT	19.21	24.13	19.48	24.76
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	6.05	5.86	6.35	6.56
Selling expenses	5.98	6.26	6.27	6.11
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.03	12.12	12.62	12.67
INCOME BEFORE INTEREST EXPENSE	7.18	12.01	6.86	12.09
Interest expense	1.55	1.00	1.79	1.23
OPERATING INCOME	5.63	11.01	5.07	10.86
Other income (expense)	0.72	0.46	0.93	0.79
INCOME BEFORE INCOME TAXES	6.35	11.47	6.00	11.65

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	3.35%	3.79%	2.55%	2.22%
Film	0.94	1.05	1.06	1.38
Plates	1.08	1.09	1.11	1.15
Other chargeable materials	1.88	1.10	2.19	1.30
TOTAL OTHER CHARGEABLE MATERIALS	7.25	7.03	6.91	6.05
OUTSIDE SERVICES				
Composition	0.41	0.38	0.59	0.59
Offset preparation	1.01	0.66	0.86	0.55
Printing	0.95	1.00	1.01	0.76
Binding	1.97	1.52	1.84	1.64
Other outside services	1.81	1.10	2.38	1.47
TOTAL OUTSIDE SERVICES	6.15	4.66	6.68	5.01

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
29.89	27.86	28.51	27.58
7.66	8.80	8.10	6.53
5.56	4.52	4.93	3.15
43.11	41.18	41.54	37.26
27.60	26.75	27.32	25.48
10.73	9.62	10.97	10.91
81.44	77.55	79.83	73.65
18.56	22.45	20.17	26.35
5.53	4.68	5.96	5.97
5.44	5.76	6.26	8.83
10.97	10.44	12.22	14.80
7.59	12.01	7.95	11.55
1.24	0.76	1.03	0.48
6.35	11.25	6.92	11.07
0.37	(0.10)	0.59	0.48
6.72	11.15	7.51	11.55

4.42%	6.49%	4.85%	5.23%
0.79	0.51	0.60	0.31
1.03	1.03	1.15	0.44
1.42	0.77	1.50	0.55
7.66	8.80	8.10	6.53
0.20	0.13	0.21	0.10
1.11	0.86	1.50	0.35
0.92	1.39	0.59	0.86
2.28	1.51	1.01	0.81
1.05	0.63	1.62	1.03
5.56	4.52	4.93	3.15

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.31%	1.19%	1.28%	1.10%
Direct wages	17.24	16.73	17.40	17.03
General factory salaries and wages	3.40	3.32	3.20	2.89
Packing, shipping and delivery wages	0.89	0.77	0.94	0.85
Payroll taxes	1.62	1.59	1.68	1.69
Employee benefits	3.00	2.88	2.83	2.94
TOTAL FACTORY PAYROLL	27.46	26.48	27.33	26.50
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.45	0.20	0.61	0.20
Depreciation - other	2.21	2.43	2.25	2.62
Taxes - real estate	0.21	0.23	0.20	0.21
Taxes - other	0.15	0.12	0.19	0.13
Insurance	0.24	0.19	0.27	0.20
Building rent	0.55	0.53	0.63	0.60
Utilities - heat, light, etc.	1.24	1.15	1.20	1.07
Equipment rental	0.42	0.20	0.48	0.18
Total Fixed Expenses	5.47	5.05	5.83	5.21
Other Expenses				
Factory supplies and expense	2.53	2.31	2.31	2.23
Packing, shipping and delivery expense	1.18	1.38	1.41	1.85
Repairs and maintenance	1.45	1.28	1.53	1.32
Other factory expenses	0.90	0.71	0.91	0.76
Total Other Expenses	6.06	5.68	6.16	6.16
TOTAL FACTORY EXPENSES	11.53	10.73	11.99	11.37
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.23	1.30	1.42	1.51
Salaries - office	1.71	1.65	1.78	1.87
Payroll taxes	0.18	0.18	0.18	0.19
Employee benefits	0.46	0.41	0.46	0.47
Bad debts	0.26	0.21	0.30	0.24
Office supplies and expenses	0.32	0.28	0.30	0.27
Professional fees	0.39	0.35	0.37	0.36
Taxes - business	0.10	0.14	0.12	0.21
Telephone	0.29	0.27	0.31	0.32
Other administrative expenses	1.11	1.07	1.11	1.12
TOTAL ADMINISTRATIVE EXPENSES	6.05	5.86	6.35	6.56
SELLING EXPENSES				
Salaries - executive	0.63	0.72	0.67	0.77
Salaries and commissions - salesmen	2.72	2.93	3.03	2.88
Salaries - sales office clerical	0.65	0.52	0.63	0.49
Payroll taxes	0.16	0.16	0.18	0.18
Employee benefits	0.27	0.29	0.24	0.27
Advertising	0.21	0.21	0.22	0.17
Travel and entertainment	0.58	0.52	0.57	0.54
Other selling expenses	0.76	0.91	0.73	0.81
TOTAL SELLING EXPENSES	5.98	6.26	6.27	6.11

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.33%	1.33%	1.51%	1.18%
17.25	16.53	16.34	15.78
3.35	3.66	4.35	4.54
0.82	0.80	0.85	0.24
1.60	1.65	1.21	0.78
3.25	2.78	3.06	2.96
27.60	26.75	27.32	25.48
0.19	0.21	0.22	0.16
2.18	2.15	2.14	2.28
0.21	0.26	0.28	0.26
0.09	0.10	0.12	0.12
0.19	0.18	0.26	0.15
0.47	0.50	0.31	0.24
1.28	1.29	1.31	1.14
0.30	0.25	0.44	0.18
4.91	4.94	5.08	4.53
2.87	2.27	2.77	2.83
0.76	0.57	0.99	1.47
1.34	1.30	1.18	1.01
0.85	0.54	0.95	1.07
5.82	4.68	5.89	6.38
10.73	9.62	10.97	10.91
0.93	1.04	0.92	0.99
1.57	1.33	1.76	1.44
0.19	0.19	0.14	0.08
0.48	0.32	0.36	0.42
0.18	0.19	0.25	0.13
0.35	0.24	0.44	0.51
0.49	0.36	0.21	0.23
0.06	0.06	0.13	0.06
0.25	0.21	0.29	0.14
1.03	0.74	1.46	1.97
5.53	4.68	5.96	5.97
0.51	0.47	0.80	1.32
2.22	2.63	2.71	4.12
0.69	0.46	0.74	0.92
0.14	0.13	0.12	0.11
0.31	0.29	0.28	0.39
0.17	0.24	0.24	0.36
0.58	0.48	0.63	0.62
0.82	1.06	0.74	0.99
5.44	5.76	6.26	8.83

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	2.60%	4.41%	3.33%	6.45%
Receivables	30.07	28.82	28.98	27.65
Inventories	20.37	19.48	19.71	17.31
Other current assets	4.07	6.04	4.40	6.86
TOTAL CURRENT ASSETS	57.11	58.75	56.42	58.27
FIXED ASSETS				
Real estate	13.58	12.79	12.95	10.51
Less: Accumulated depreciation	3.69	3.99	2.97	2.92
	9.89	8.80	9.98	7.59
Machinery and equipment	54.82	52.96	54.33	53.01
Less: Accumulated depreciation	28.84	26.72	27.38	25.27
	25.98	26.24	26.95	27.74
Other fixed assets	3.41	3.80	3.65	3.63
Less: Accumulated depreciation	1.70	1.87	1.73	1.65
	1.71	1.93	1.92	1.98
NET FIXED ASSETS	37.58	36.97	38.85	37.31
OTHER ASSETS	5.31	4.28	4.73	4.42
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.88	4.58	8.04	6.72
Accounts payable	12.41	11.23	12.33	10.51
Other current liabilities	10.15	10.80	10.07	10.83
TOTAL CURRENT LIABILITIES	29.44	26.61	30.44	28.06
LONG-TERM LIABILITIES	21.17	15.68	22.74	18.77
TOTAL LIABILITIES	50.61	42.29	53.18	46.83
SHAREHOLDERS' AND PROPRIETORS' EQUITY	49.39	57.71	46.82	53.17
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.94	2.21	1.85	2.08
QUICK RATIO	1.25	1.48	1.21	1.46
TOTAL LIABILITIES TO EQUITY	1.02	0.73	1.14	0.88
LONG-TERM LIABILITIES TO EQUITY	0.43	0.27	0.49	0.35
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.53	0.50	0.50	0.48

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.47%	2.19%	1.56%	0.43%
32.24	30.44	29.43	29.91
21.67	20.70	21.15	27.68
3.40	4.42	4.93	7.02
58.78	57.75	57.07	65.04
14.41	16.68	14.36	12.31
4.58	5.50	5.60	4.83
9.83	11.18	8.76	7.48
55.20	52.13	54.70	55.52
31.62	27.46	27.90	32.46
23.58	24.67	26.80	23.06
3.30	4.23	2.26	3.16
1.78	2.20	1.24	1.90
1.52	2.03	1.02	1.26
34.93	37.88	36.58	31.80
6.29	4.37	6.35	3.16
100.00	100.00	100.00	100.00
4.58	1.74	6.05	2.24
12.60	11.55	12.30	14.30
10.97	12.46	7.33	4.82
28.15	25.75	25.68	21.36
18.45	13.47	20.06	5.54
46.60	39.22	45.74	26.90
53.40	60.78	54.26	73.10
100.00	100.00	100.00	100.00
2.09	2.24	2.22	3.04
1.32	1.44	1.40	1.75
0.87	0.65	0.84	0.37
0.35	0.22	0.37	0.08
0.57	0.53	0.51	0.58

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 37,752	$ 38,999	$ 36,192	$ 36,846
Average assets per factory employee (Excluding Executives)	47,368	49,604	45,923	47,403
Average net worth per employee - All employees	18,106	22,120	16,097	18,814
Average gross plant investment per factory employee (Excluding Executives)	33,048	33,631	32,703	31,520
Net worth percentage of fixed assets	146.82%	177.43%	129.82%	166.39%
EMPLOYEES				
Percent factory - All employees	83.27%	82.90%	82.61%	82.29%
Percent administrative - All employees	9.06	9.27	9.32	10.18
Percent sales - All employees	7.67	7.83	8.07	7.53
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 71,015	$ 72,964	$ 66,589	$ 65,606
Sales per factory employee	86,640	90,602	82,017	82,212
Sales less material per factory employee	48,488	52,780	46,699	50,245
Sales per administrative employee	1,015,001	1,057,253	895,497	927,203
EXCLUDING EXECUTIVES				
Sales per employee - All employees	74,798	76,916	70,199	69,217
Sales per factory employee	89,705	94,113	84,775	85,149
Sales less material per factory employee	50,197	54,752	48,248	51,921
SALES PER SALESMAN	1,456,813	1,387,847	1,005,227	1,049,377
SALES TO CURRENT ASSETS	365%	339%	365%	332%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	35.46%	34.63%	35.92%	35.13%
Factory payroll percentage of gross plant investment	80.19	80.60	79.02	85.70
Payroll per employee - All employees	$ 23,854	$ 23,841	$ 22,773	$ 22,336
Payroll per factory employee	22,141	21,803	20,941	20,247
Payroll per administrative employee	27,631	28,367	27,726	28,072
Payroll per sales employee	41,779	46,377	39,670	43,079
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 18,974	$ 18,905	$ 18,064	$ 17,364
Payroll per factory employee	18,100	17,758	17,136	16,309
Payroll per administrative employee	14,629	14,928	14,455	14,031
Payroll per sales employee	34,853	39,092	32,868	35,166
EXECUTIVE PAYROLL				
Payroll per executive - All executives	50,497	53,330	50,654	56,477
Payroll per factory executive	36,793	39,735	36,692	42,260
Payroll per administrative executive	62,162	66,471	62,707	68,093
Payroll per sales executive	54,046	58,914	51,225	53,982
RECEIVABLES				
Collection period	57.8	56.1	57.5	55.0
PROFIT				
Gross profit percentage of sales	19.21%	24.13%	19.48%	24.76%
Average gross profit per factory employee	$ 17,327	$ 22,614	$ 16,746	$ 21,620
Income before taxes percentage of sales	6.35%	11.47%	6.00%	11.65%
Average income before taxes per employee	$ 4,648	$ 8,397	$ 4,000	$ 7,580

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 39,348	$ 39,998	$ 44,363	$ 47,886
48,414	49,282	56,223	63,391
20,471	23,888	25,029	34,940
32,620	34,117	37,728	44,067
178.34%	180.34%	158.49%	230.69%
84.63%	85.50%	81.80%	77.28%
8.57	7.74	9.42	9.40
6.80	6.76	8.78	13.32
$ 78,155	$ 80,633	$ 77,788	$ 88,430
94,020	98,159	95,247	112,398
50,929	52,648	53,616	67,818
1,241,876	1,245,126	1,008,477	1,147,485
82,283	84,890	81,802	93,275
97,540	102,226	99,164	117,263
52,815	54,728	56,034	71,118
1,890,171	1,883,125	2,683,850	1,788,456
371%	366%	328%	285%
34.64%	33.62%	35.16%	35.28%
85.12	76.21	70.58	66.61
$ 25,655	$ 24,735	$ 25,174	$ 29,366
24,043	22,723	23,953	27,529
28,155	28,575	24,420	29,339
45,140	49,707	43,474	53,680
$ 20,347	$ 19,851	$ 20,774	$ 24,459
19,516	18,518	20,149	23,426
14,827	15,673	14,861	17,477
37,799	42,974	37,420	48,076
50,548	47,160	49,594	56,834
36,238	34,214	40,974	44,542
62,362	65,031	57,984	62,185
55,073	59,270	70,394	86,030
57.4	56.5	60.8	60.9
18.56%	22.45%	20.17%	26.35%
$ 17,836	$ 22,176	$ 20,691	$ 29,864
6.72%	11.15%	7.51%	11.55%
$ 5,416	$ 9,115	$ 6,652	$ 10,587

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.36	$ 2.45	$ 1.74	$ 3.60
Receivables	15.42	14.97	15.35	14.68
Inventories	10.26	10.41	9.73	9.24
Marketable securities	1.29	2.38	1.83	3.48
Other current assets	1.04	1.38	0.89	1.17
	29.37	31.59	29.54	32.17
Plant Investment:				
Land and building	7.60	6.87	7.76	5.92
Machinery and equipment	28.49	28.40	29.30	29.42
Other fixed assets	1.67	1.91	1.80	1.90
	37.76	37.18	38.86	37.24
Non-Current Assets	3.21	2.68	2.69	2.78
TOTAL INVESTMENT	70.34	71.45	71.09	72.19
INVESTMENT TURNOVER PER $100 OF SALES	142.17%	139.96%	140.67%	138.52%
EARNINGS				
Cost of Product	$80.79	$75.87	$80.52	$75.24
Selling Expenses	5.98	6.26	6.27	6.11
Administrative Expenses	6.05	5.86	6.35	6.56
	92.82	87.99	93.14	87.91
Income Before Interest, Other Income (Expense), and Taxes	7.18	12.01	6.86	12.09
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	10.21%	16.81%	9.65%	16.75%

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 0.77	$ 1.19	$ 0.80	$ 0.26
15.33	15.07	16.17	16.21
11.00	10.91	11.88	15.44
0.50	1.24	0.47	0.00
1.10	1.10	2.13	3.57
28.70	29.51	31.45	35.48
7.19	8.48	7.70	6.66
26.35	26.37	29.65	29.68
1.53	1.97	1.33	1.81
35.07	36.82	38.68	38.15
4.11	2.66	4.17	2.13
67.88	68.99	74.30	75.76
147.32%	144.95%	134.59%	132.00%
$81.44	$77.55	$79.83	$73.65
5.44	5.76	6.26	8.83
5.53	4.68	5.96	5.97
92.41	87.99	92.05	88.45
7.59	12.01	7.95	11.55
11.18%	17.41%	10.70%	15.25%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.01	43.62	50.82	47.27
FACTORY EXPENSES	19.63	16.94	21.97	19.84
TOTAL FACTORY COST OF PRODUCT	66.64	60.56	72.79	67.11
GROSS PROFIT	33.36	39.44	27.21	32.89
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.18	8.62	9.23	8.64
Selling expenses	10.94	10.31	6.63	5.20
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.12	18.93	15.86	13.84
INCOME BEFORE INTEREST EXPENSE	12.24	20.51	11.35	19.05
Interest expense	3.31	2.11	2.20	1.87
OPERATING INCOME	8.93	18.40	9.15	17.18
Other income (expense)	1.61	1.39	1.53	2.11
INCOME BEFORE INCOME TAXES	10.54	19.79	10.68	19.29

** Sample insufficient for Profit Leaders.
*** "All Firms" are the same as "Profit Leaders."

NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
41.21	44.64	42.64	48.14	50.61	50.46	47.10
26.50	12.22	17.81	15.96	21.32	17.04	17.67
67.71	56.86	60.45	64.10	71.93	67.50	64.77
32.29	43.14	39.55	35.90	28.07	32.50	35.23
14.27	9.80	12.62	7.81	11.03	9.32	12.99
4.48	12.52	10.44	11.30	6.99	7.73	13.61
18.75	22.32	23.06	19.11	18.02	17.05	26.60
13.54	20.82	16.49	16.79	10.05	15.45	8.63
4.12	1.13	3.32	0.39	1.88	1.41	6.03
9.42	19.69	13.27	16.40	8.17	14.04	2.60
1.47	(4.15)	1.82	1.58	2.22	2.79	3.02
10.89	15.54	15.09	17.98	10.39	16.83	5.62

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.04%	1.89%	2.18%	1.67%
Direct wages	29.78	27.91	32.11	31.82
General factory salaries and wages	6.20	5.47	6.20	5.13
Packing, shipping and delivery wages	1.65	1.37	1.35	1.04
Payroll taxes	2.53	2.18	3.21	3.22
Employee benefits	4.81	4.80	5.77	4.39
TOTAL FACTORY PAYROLL	47.01	43.62	50.82	47.27
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.52	0.21	1.69	0.35
Depreciation - other	4.01	4.35	3.98	4.76
Taxes - real estate	0.38	0.38	0.25	0.31
Taxes - other	0.24	0.17	0.29	0.22
Insurance	0.46	0.35	0.35	0.32
Building rent	1.28	1.05	0.60	0.47
Utilities - heat, light, etc.	2.06	1.90	2.62	2.38
Equipment rental	0.65	0.22	0.68	0.65
Total Fixed Expenses	9.60	8.63	10.46	9.46
Other Expenses				
Factory supplies and expense	4.08	3.49	5.71	4.71
Packing, shipping and delivery expense	1.91	1.36	1.62	2.08
Repairs and maintenance	2.43	2.13	2.68	2.39
Other factory expenses	1.61	1.33	1.50	1.20
Total Other Expenses	10.03	8.31	11.51	10.38
TOTAL FACTORY EXPENSES	19.63	16.94	21.97	19.84
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.12	1.85	1.90	2.24
Salaries - office	2.64	2.25	2.77	2.59
Payroll taxes	0.25	0.18	0.40	0.46
Employee benefits	0.73	0.69	0.84	0.71
Bad debts	0.44	0.34	0.61	0.33
Office supplies and expenses	0.53	0.36	0.46	0.38
Professional fees	0.68	0.47	0.43	0.39
Taxes - business	0.16	0.28	0.04	0.05
Telephone	0.55	0.46	0.43	0.40
Other administrative expenses	2.08	1.74	1.35	1.09
TOTAL ADMINISTRATIVE EXPENSES	10.18	8.62	9.23	8.64
SELLING EXPENSES				
Salaries - executive	1.13	1.28	0.60	0.45
Salaries and commissions - salesmen	5.82	5.78	2.12	1.43
Salaries - sales office clerical	0.79	0.44	1.63	1.25
Payroll taxes	0.26	0.22	0.23	0.15
Employee benefits	0.42	0.49	0.43	0.23
Advertising	0.41	0.27	0.15	0.17
Travel and entertainment	1.07	0.86	0.60	0.58
Other selling expenses	1.04	0.97	0.87	0.94
TOTAL SELLING EXPENSES	10.94	10.31	6.63	5.20

** Sample insufficient for Profit Leaders

*** "All Firms" are the same as "Profit Leaders."

NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.41%	1.69%	0.60%	0.94%	3.98%	3.61%	3.16%
29.83	26.19	26.78	27.71	30.37	34.67	29.97
2.79	7.08	6.50	9.13	5.27	2.58	2.55
1.29	0.74	0.96	0.71	1.10	0.57	1.55
2.28	2.32	3.02	3.01	3.23	3.09	3.27
2.61	6.62	4.78	6.64	6.66	5.94	6.60
41.21	44.64	42.64	48.14	50.61	50.46	47.10
0.53	0.27	0.43	0.58	0.71	0.62	0.77
4.16	2.95	4.80	3.41	3.75	3.35	4.25
0.30	0.29	0.29	0.39	0.47	0.45	0.43
0.21	0.07	0.22	0.15	0.47	0.28	0.00
0.37	0.39	0.42	0.14	0.34	0.25	0.72
0.83	0.57	0.44	0.78	0.63	1.53	0.65
1.34	1.79	2.27	1.86	2.39	2.33	2.04
0.20	0.41	0.53	0.71	2.12	0.42	0.19
7.94	6.74	9.40	8.02	10.88	9.23	9.05
4.70	7.43	3.82	3.58	3.69	2.51	3.75
8.76	0.09	1.31	1.41	1.54	1.75	2.60
4.80	1.34	2.29	1.88	2.65	1.71	1.71
0.30	(3.38)	0.99	1.07	2.56	1.84	0.56
18.56	5.48	8.41	7.94	10.44	7.81	8.62
26.50	12.22	17.81	15.96	21.32	17.04	17.67
2.17	1.42	2.94	2.37	1.73	2.34	3.66
5.87	2.27	2.64	1.74	3.77	2.73	3.96
0.46	0.22	0.30	0.34	0.36	0.22	0.46
0.77	0.54	0.95	0.60	0.99	0.55	0.94
0.70	0.01	0.10	0.07	0.29	0.20	0.25
0.59	1.57	0.82	0.09	0.52	0.40	0.78
1.77	1.05	0.92	0.41	0.94	0.66	0.35
0.54	0.13	0.05	0.04	0.44	0.57	0.00
0.42	0.25	0.55	0.38	0.52	0.30	0.50
0.98	2.34	3.35	1.77	1.47	1.35	2.09
14.27	9.80	12.62	7.81	11.03	9.32	12.99
0.13	1.14	0.39	0.58	1.10	1.30	1.21
1.57	6.88	5.24	6.99	2.25	2.56	5.97
0.70	0.87	0.75	0.23	1.15	1.30	1.25
0.10	0.28	0.24	0.34	0.27	0.27	0.44
0.18	0.49	0.37	0.50	0.48	0.57	0.76
0.71	0.80	0.18	0.22	0.10	0.13	0.31
1.04	1.16	1.34	0.63	0.83	0.69	1.67
0.05	0.90	1.93	1.81	0.81	0.91	2.00
4.48	12.52	10.44	11.30	6.99	7.73	13.61

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	26.62	27.62	31.69	26.40
Other chargeable materials	7.77	6.71	6.77	8.03
Outside services	8.08	5.33	3.57	4.04
TOTAL MATERIAL	42.47	39.66	42.03	38.47
FACTORY PAYROLL	27.10	26.52	29.42	29.06
FACTORY EXPENSES	11.19	10.18	12.62	12.07
TOTAL FACTORY COST OF PRODUCT	80.76	76.36	84.07	79.60
GROSS PROFIT	19.24	23.64	15.93	20.40
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.91	5.30	5.43	5.43
Selling expenses	6.36	6.29	3.80	3.15
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.27	11.59	9.23	8.58
INCOME BEFORE INTEREST EXPENSE	6.97	12.05	6.70	11.82
Interest expense	1.81	1.23	1.25	1.17
OPERATING INCOME	5.16	10.82	5.45	10.65
Other income (expense)	0.86	0.79	0.87	1.25
INCOME BEFORE INCOME TAXES	6.02	11.61	6.32	11.90

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	3.58%	3.76%	4.33%	6.66%
Film	0.91	1.11	0.59	0.37
Plates	1.07	1.39	1.03	0.54
Other chargeable materials	2.21	0.45	0.82	0.46
TOTAL OTHER CHARGEABLE MATERIALS	7.77	6.71	6.77	8.03
OUTSIDE SERVICES				
Composition	0.44	0.32	0.23	0.13
Offset preparation	1.30	0.78	1.11	0.80
Printing	0.96	0.86	0.60	1.21
Binding	2.93	2.25	0.59	0.81
Other outside services	2.45	1.12	1.04	1.09
TOTAL OUTSIDE SERVICES	8.08	5.33	3.57	4.04

** Sample insufficient for Profit Leaders.
*** "All Firms" are the same as "Profit Leaders."
**** Information not submitted.

NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
34.86	12.84	34.66	24.72	24.20	26.57	31.45
6.82	1.64	7.39	8.40	9.79	11.26	5.99
5.40	6.39	3.40	1.26	4.34	2.29	6.71
47.08	20.87	45.45	34.38	38.33	40.12	44.15
20.15	35.22	23.94	31.83	31.08	29.77	26.61
14.40	9.79	9.43	10.48	13.21	10.34	9.81
81.63	65.88	78.82	76.69	82.62	80.23	80.57
18.37	34.12	21.18	23.31	17.38	19.77	19.43
8.75	7.98	6.45	5.00	6.86	5.83	7.27
2.60	9.83	5.78	7.25	4.45	4.93	7.34
11.35	17.81	12.23	12.25	11.31	10.76	14.61
7.02	16.31	8.95	11.06	6.07	9.01	4.82
1.87	0.89	1.39	0.25	1.17	0.75	3.28
5.15	15.42	7.56	10.81	4.90	8.26	1.54
0.68	(3.14)	0.98	0.99	1.38	1.77	1.56
5.83	12.28	8.54	11.80	6.28	10.03	3.10

4.39%		2.94%	0.80%	0.61%	0.80%	3.02%
0.79		1.11	2.25	2.67	2.78	0.54
1.64		0.85	0.85	1.92	2.10	0.85
0.00		2.49	4.50	4.59	5.58	1.58
6.82	****	7.39	8.40	9.79	11.26	5.99
		0.02	0.02	1.12	1.64	0.52
		0.56	0.06	0.05	0.00	0.80
		0.04	0.00	0.32	0.11	1.46
		1.99	1.18	2.20	0.19	1.40
		0.79	0.00	0.65	0.35	2.53
****	****	3.40	1.26	4.34	2.29	6.71

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.16%	1.11%	1.22%	0.99%
Direct wages	17.23	16.98	18.54	19.62
General factory salaries and wages	3.49	3.28	3.63	3.12
Packing, shipping and delivery wages	0.95	0.84	0.76	0.62
Payroll taxes	1.49	1.39	1.89	2.03
Employee benefits	2.78	2.92	3.38	2.68
TOTAL FACTORY PAYROLL	27.10	26.52	29.42	29.06
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.30	0.12	1.00	0.21
Depreciation - other	2.28	2.58	2.32	2.93
Taxes - real estate	0.21	0.21	0.14	0.18
Taxes - other	0.14	0.11	0.17	0.14
Insurance	0.26	0.22	0.20	0.20
Building rent	0.74	0.66	0.32	0.33
Utilities - heat, light, etc.	1.16	1.11	1.53	1.48
Equipment rental	0.39	0.14	0.38	0.37
Total Fixed Expenses	5.48	5.15	6.06	5.84
Other Expenses				
Factory supplies and expense	2.34	2.05	3.26	2.82
Packing, shipping and delivery expense	1.04	0.81	0.91	1.18
Repairs and maintenance	1.40	1.29	1.53	1.52
Other factory expenses	0.93	0.88	0.86	0.71
Total Other Expenses	5.71	5.03	6.56	6.23
TOTAL FACTORY EXPENSES	11.19	10.18	12.62	12.07
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.26	1.13	1.13	1.42
Salaries - office	1.50	1.35	1.66	1.62
Payroll taxes	0.15	0.11	0.24	0.29
Employee benefits	0.42	0.42	0.50	0.46
Bad debts	0.23	0.19	0.35	0.21
Office supplies and expenses	0.32	0.22	0.26	0.25
Professional fees	0.41	0.31	0.25	0.25
Taxes - business	0.10	0.18	0.02	0.03
Telephone	0.31	0.28	0.25	0.25
Other administrative expenses	1.21	1.11	0.77	0.65
TOTAL ADMINISTRATIVE EXPENSES	5.91	5.30	5.43	5.43
SELLING EXPENSES				
Salaries - executive	0.66	0.82	0.35	0.28
Salaries and commissions - salesmen	3.35	3.40	1.19	0.84
Salaries - sales office clerical	0.45	0.25	0.93	0.72
Payroll taxes	0.15	0.14	0.13	0.09
Employee benefits	0.25	0.30	0.25	0.14
Advertising	0.25	0.18	0.08	0.10
Travel and entertainment	0.62	0.56	0.34	0.36
Other selling expenses	0.63	0.64	0.53	0.62
TOTAL SELLING EXPENSES	6.36	6.29	3.80	3.15

** Sample insufficient for Profit Leaders.

*** "All Firms" are the same as "Profit Leaders."

NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
0.97%	1.36%	0.33%	0.57%	2.54%	2.28%	1.89%
14.14	20.62	14.85	18.38	18.37	19.96	16.83
1.62	5.58	3.84	5.97	3.39	1.69	1.40
0.87	0.55	0.48	0.45	0.69	0.37	0.85
1.12	1.83	1.66	1.99	1.99	1.82	1.86
1.43	5.28	2.78	4.47	4.10	3.65	3.78
20.15	35.22	23.94	31.83	31.08	29.77	26.61
0.31	0.21	0.24	0.38	0.45	0.41	0.39
2.02	2.32	2.49	2.27	2.27	2.01	2.31
0.14	0.22	0.16	0.25	0.31	0.30	0.23
0.13	0.06	0.10	0.09	0.29	0.18	0.00
0.18	0.31	0.21	0.09	0.21	0.15	0.40
0.38	0.46	0.29	0.55	0.34	0.81	0.35
0.73	1.40	1.21	1.20	1.48	1.41	1.14
0.10	0.34	0.31	0.48	1.37	0.24	0.12
3.99	5.32	5.01	5.31	6.72	5.51	4.94
2.53	5.87	1.92	2.31	2.28	1.64	2.14
5.60	0.07	0.74	0.92	0.93	0.96	1.48
2.16	1.02	1.25	1.26	1.63	1.04	0.93
0.12	(2.49)	0.51	0.68	1.65	1.19	0.32
10.41	4.47	4.42	5.17	6.49	4.83	4.87
14.40	9.79	9.43	10.48	13.21	10.34	9.81
1.23	1.14	1.45	1.47	1.07	1.48	1.96
3.77	1.80	1.38	1.15	2.33	1.64	2.27
0.31	0.18	0.16	0.23	0.22	0.14	0.26
0.49	0.42	0.49	0.39	0.60	0.35	0.54
0.45	0.01	0.05	0.04	0.18	0.13	0.13
0.31	1.26	0.40	0.06	0.33	0.26	0.43
1.03	0.81	0.48	0.27	0.59	0.42	0.20
0.35	0.11	0.03	0.02	0.28	0.37	0.00
0.24	0.20	0.29	0.25	0.32	0.18	0.29
0.57	2.05	1.72	1.12	0.94	0.86	1.19
8.75	7.98	6.45	5.00	6.86	5.83	7.27
0.08	0.93	0.22	0.36	0.68	0.79	0.70
0.79	5.37	3.00	4.52	1.45	1.64	3.13
0.49	0.67	0.37	0.15	0.74	0.85	0.65
0.07	0.22	0.14	0.22	0.17	0.17	0.23
0.11	0.38	0.21	0.32	0.30	0.37	0.42
0.49	0.65	0.11	0.15	0.06	0.08	0.16
0.53	0.93	0.70	0.40	0.53	0.43	0.91
0.04	0.68	1.03	1.13	0.52	0.60	1.14
2.60	9.83	5.78	7.25	4.45	4.93	7.34

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	2.78%	4.59%	2.43%	4.71%
Receivables	31.30	31.50	27.60	23.03
Inventories	20.57	16.99	19.40	17.96
Other current assets	4.71	7.22	2.81	5.92
TOTAL CURRENT ASSETS	59.36	60.30	52.24	51.62
FIXED ASSETS				
Real estate	10.31	9.69	15.61	14.25
Less: Accumulated depreciation	1.94	1.40	5.06	5.83
	8.37	8.29	10.55	8.42
Machinery and equipment	53.14	51.74	65.64	64.43
Less: Accumulated depreciation	28.06	26.24	33.71	30.86
	25.08	25.50	31.93	33.57
Other fixed assets	3.13	4.11	2.76	3.26
Less: Accumulated depreciation	1.52	1.91	1.53	1.45
	1.61	2.20	1.23	1.81
NET FIXED ASSETS	35.06	35.99	43.71	43.80
OTHER ASSETS	5.58	3.71	4.05	4.58
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	9.04	5.97	4.45	5.19
Accounts payable	13.67	12.63	10.58	11.51
Other current liabilities	10.12	9.38	7.67	8.27
TOTAL CURRENT LIABILITIES	32.83	27.98	22.70	24.97
LONG-TERM LIABILITIES	20.24	14.81	20.51	20.60
TOTAL LIABILITIES	53.07	42.79	43.21	45.57
SHAREHOLDERS' AND PROPRIETORS' EQUITY	46.93	57.21	56.79	54.43
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.81	2.16	2.30	2.07
QUICK RATIO	1.18	1.55	1.45	1.35
TOTAL LIABILITIES TO EQUITY	1.13	0.75	0.76	0.84
LONG-TERM LIABILITIES TO EQUITY	0.43	0.26	0.36	0.38
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.53	0.51	0.51	0.48

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NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
5.34%	0.48%	6.47%	11.02%	1.91%	2.79%	0.45%
30.15	22.23	26.49	23.36	29.92	22.09	22.56
11.93	34.98	19.57	26.63	19.34	19.16	12.58
1.23	0.48	1.10	0.00	7.71	9.32	14.00
48.65	58.17	53.63	61.01	58.88	53.36	49.59
14.86	10.80	16.27	16.03	20.89	18.98	18.42
2.91	2.90	5.69	5.67	7.78	9.68	3.12
11.95	7.90	10.58	10.36	13.11	9.30	15.30
43.11	33.30	55.91	53.60	56.20	54.13	36.73
16.12	16.68	27.03	28.72	32.05	24.46	18.42
26.99	16.62	28.88	24.88	24.15	29.67	18.31
2.86	2.66	3.09	1.71	2.71	3.28	2.57
1.45	1.67	1.21	0.87	1.31	1.27	0.70
1.41	0.99	1.88	0.84	1.40	2.01	1.87
40.35	25.51	41.34	36.08	38.66	40.98	35.48
11.00	16.32	5.03	2.91	2.46	5.66	14.93
100.00	100.00	100.00	100.00	100.00	100.00	100.00
14.55	0.00	2.34	0.87	6.49	9.60	10.26
12.99	14.53	12.54	5.39	9.59	8.23	12.08
6.13	18.63	19.19	29.09	11.60	9.41	9.86
33.67	33.16	34.07	35.35	27.68	27.24	32.20
29.62	2.17	20.90	2.64	22.22	19.20	36.29
63.29	35.33	54.97	37.99	49.90	46.44	68.49
36.71	64.67	45.03	62.01	50.10	53.56	31.51
100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.44	1.75	1.57	1.73	2.13	1.96	1.54
1.09	0.70	1.00	0.97	1.43	1.26	1.15
1.72	0.55	1.22	0.61	1.00	0.87	2.17
0.81	0.03	0.46	0.04	0.44	0.36	1.15
0.37	0.50	0.48	0.54	0.57	0.45	0.50

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 40,788	$ 42,759	$ 33,052	$ 35,727
Average assets per factory employee (Excluding Executives)	50,427	52,025	39,446	41,650
Average net worth per employee - All employees	18,664	24,263	18,853	19,325
Average gross plant investment per factory employee (Excluding Executives)	33,782	34,323	31,512	32,753
Net worth percentage of fixed assets	149.87%	178.87%	137.94%	128.56%
EMPLOYEES				
Percent factory - All employees	83.90%	85.34%	86.45%	88.32%
Percent administrative - All employees	8.66	8.34	7.99	7.42
Percent sales - All employees	7.44	6.32	5.56	4.26
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 78,627	$ 81,496	$ 63,076	$ 61,516
Sales per factory employee	94,743	96,362	73,053	69,952
Sales less material per factory employee	52,611	55,146	40,899	41,675
Sales per administrative employee	1,209,639	1,276,202	934,983	1,056,942
EXCLUDING EXECUTIVES				
Sales per employee - All employees	82,383	85,119	66,277	64,135
Sales per factory employee	97,529	99,247	75,360	71,800
Sales less material per factory employee	54,134	56,698	42,153	42,728
SALES PER SALESMAN	1,258,417	1,067,876	2,526,218	3,878,846
SALES TO CURRENT ASSETS	361%	341%	404%	353%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	35.31%	34.46%	35.78%	34.92%
Factory payroll percentage of gross plant investment	88.02	97.07	74.40	65.62
Payroll per employee - All employees	$ 26,399	$ 26,499	$ 21,628	$ 20,804
Payroll per factory employee	24,160	23,840	20,676	19,718
Payroll per administrative employee	30,535	31,081	25,677	28,520
Payroll per sales employee	50,726	62,279	32,169	31,156
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 21,266	$ 21,195	$ 17,035	$ 16,618
Payroll per factory employee	20,062	19,646	16,675	16,283
Payroll per administrative employee	15,456	15,203	13,355	14,552
Payroll per sales employee	43,235	52,768	26,615	26,050
EXECUTIVE PAYROLL				
Payroll per executive - All executives	60,636	67,066	40,200	42,122
Payroll per factory executive	39,951	47,739	35,477	34,817
Payroll per administrative executive	71,118	81,627	50,675	56,562
Payroll per sales executive	61,290	72,285	41,927	40,037
RECIEVABLES				
Collection period	59.1	59.3	51.3	50.7
PROFIT				
Gross profit percentage of sales	19.24%	23.64%	15.93%	20.40%
Average gross profit per factory employee	$ 18,590	$ 22,562	$ 11,572	$ 13,989
Income before taxes percentage of sales	6.02%	11.61%	6.32%	11.90%
Average income before taxes per employee	$ 4,913	$ 9,452	$ 3,978	$ 7,185

** Sample insufficient for Profit Leaders.
*** "All Firms" are the same as "Profit Leaders."

NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 56,213	$ 48,319	$ 41,508	$ 33,968	$ 26,959	$ 30,560	$ 57,475
74,274	62,396	52,779	42,747	32,649	37,185	82,242
19,483	31,049	17,014	20,475	14,503	16,790	18,288
45,293	29,365	41,727	32,629	26,116	28,325	47,407
92.87%	263.39%	123.51%	180.73%	145.14%	169.54%	99.45%
77.10%	80.72%	81.09%	84.17%	86.83%	87.28%	75.32%
19.09	9.94	11.70	8.96	8.39	6.78	12.87
3.81	9.34	7.21	6.87	4.78	5.94	11.81
$ 79,280	$ 62.367	$ 77,808	$ 63,441	$ 51,850	$ 56,252	$ 68,848
105,333	77,588	97,547	77,544	59,685	64,348	91,910
58,220	61,697	49,596	49,630	36,228	38,179	50,918
742,814	808,429	726,147	776,413	743,991	1,017,421	579,314
83,299	66,029	81,779	68,048	55,233	59,835	75,035
107,901	80,846	98,838	79,567	63,019	67,595	98,719
59,283	64,378	50,318	50,864	38,332	40,272	54,871
1,568,971	850,000	844,062	1,063,327	1,509,644	1,375,497	847,830
305%	223%	366%	313%	354%	361%	260%
27.48%	46.32%	31.36%	40.63%	38.64%	37.20%	36.78%
47.21	98.46	65.09	90.90	83.05	72.22	55.03
$ 22,240	$ 28,898	$ 22,496	$ 25,150	$ 19,546	$ 20,626	$ 25,276
21,735	27,367	20,813	23,172	18,157	19,085	24,108
20,993	26,924	23,911	23,697	26,856	29,758	28,545
29,110	50,439	40,118	52,943	37,902	32,711	34,186
$ 18,269	$ 22,783	$ 17,815	$ 20,091	$ 14,574	$ 15,619	$ 18,925
18,369	21,569	16,966	18,604	13,879	14,835	18,891
13,061	17,289	11,615	12,001	16,930	18,798	13,363
25,266	42,645	36,634	48,656	26,350	23,269	24,810
43,559	41,782	49,116	45,681	39,861	40,355	50,991
44,629	31,409	16,952	16,030	35,747	36,872	29,975
44,084	45,345	49,976	46,068	56,308	61,011	79,887
42,589	108,335	23,744	19,956	59,271	61,790	56,340
82.8	65.6	51.6	45.6	56.3	46.3	69.2
18.37%	34.12%	21.18%	23.31%	17.38%	19.77%	19.43%
$ 21,001	$ 27,731	$ 20,198	$ 19,059	$ 10,924	$ 13,300	$ 18,994
5.83%	12.28%	8.54%	11.80%	6.28%	10.03%	3.10%
$ 4,333	$ 7,664	$ 6,040	$ 7,334	$ 3,379	$ 5,580	$ 2,093

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.47	$ 2.50	$ 1.34	$ 2.81
Receivables	15.83	15.93	13.65	13.39
Inventories	9.92	8.61	9.46	10.09
Marketable securities	1.06	2.16	0.62	1.58
Other current assets	1.36	1.90	0.94	1.85
	29.64	31.10	26.01	29.72
Plant Investment:				
Land and building	5.67	4.73	8.64	7.40
Machinery and equipment	26.93	27.09	33.87	36.61
Other fixed assets	1.52	2.06	1.22	1.64
	34.12	33.88	43.73	45.65
Non-Current Assets	3.19	1.95	2.36	3.08
TOTAL INVESTMENT	66.95	66.93	72.10	78.45
INVESTMENT TURNOVER PER $100 OF SALES	149.37%	149.41%	138.70%	127.47%
EARNINGS				
Cost of Product	$80.76	$76.36	$84.07	$79.60
Selling Expenses	6.36	6.29	3.80	3.15
Administrative Expenses	5.91	5.30	5.43	5.43
	93.03	87.95	93.30	88.18
Income Before Interest, Other Income (Expense), and Taxes	6.97	12.05	6.70	11.82
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	10.41%	18.00%	9.29%	15.07%

** Sample insufficient for Profit Leaders.
*** "All Firms" are the same as "Profit Leaders."

NEWSPAPER**	FINANCIAL***	CATALOG AND DIRECTORY		BOOK		TAG AND LABEL**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 2.32	$ 0.36	$ 3.38	$ 5.73	$ 0.95	$ 1.52	$ 0.35
22.61	17.14	13.78	12.12	14.89	12.42	18.44
8.60	27.29	10.51	14.32	9.63	10.32	10.47
0.00	0.00	0.00	0.00	4.33	5.01	10.47
0.91	0.38	0.57	0.00	0.52	0.72	1.77
34.44	45.17	28.24	32.17	30.32	29.99	41.50
9.87	8.39	8.69	8.67	11.41	11.74	15.51
31.44	25.60	29.68	28.46	28.68	29.01	30.31
1.67	2.01	1.63	0.92	1.63	1.60	2.20
42.98	36.00	40.00	38.05	41.72	42.35	48.02
7.42	12.93	2.62	1.56	1.40	3.45	12.67
84.84	94.10	70.86	71.78	73.44	75.79	102.19
117.87%	106.27%	141.12%	139.31%	136.17%	131.94%	97.86%
$81.63	$65.88	$78.82	$76.69	$82.62	$80.23	$80.57
2.60	9.83	5.78	7.25	4.45	4.93	7.34
8.75	7.98	6.45	5.00	6.86	5.83	7.27
92.98	83.69	91.05	88.94	93.93	90.99	95.18
7.02	16.31	8.95	11.06	6.07	9.01	4.82
8.27%	17.33%	12.63%	15.41%	8.27%	11.89%	4.72%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	110	$12,292,000	$23,048,000	$1,613,000
TOTAL - PROFIT LEADERS*	41	13,194,000	24,220,000	2,787,000
BY SIZE OF FIRM				
ALL FIRMS				
$10,000,000-$20,000,000	66	7,329,000	13,529,000	845,000
$20,000,000-$40,000,000	35	13,974,000	27,637,000	1,884,000
$40,000,000-$80,000,000	8	35,547,000	62,454,000	5,282,000
PROFIT LEADERS				
$10,000,000-$20,000,000	23	7,949,000	14,052,000	1,651,000
$20,000,000-$40,000,000	14	14,354,000	27,726,000	3,089,000
$40,000,000-$80,000,000	4	39,295,000	70,419,000	8,260,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	50	10,796,000	20,424,000	1,370,000
Magazine and Periodical	23	15,609,000	30,684,000	2,042,000
Newspaper	3	10,880,000	15,826,000	959,000
Financial***	2	39,461,000	51,996,000	6,497,000
Catalog and Directory	4	9,663,000	18,292,000	1,516,000
Book	10	9,036,000	18,396,000	1,109,000
Tag and Label	3	13,723,000	16,301,000	585,000
PROFIT LEADERS				
Commercial and Advertising	17	11,155,000	21,458,000	2,547,000
Magazine and Periodical	9	13,711,000	24,778,000	2,797,000
Catalog and Directory	2	8,891,000	16,781,000	1,980,000
Book	3	10,682,000	18,198,000	1,920,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 35.

*** "All Firms" are the same as "Profit Leaders."

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2%	divided by 3 = 20.7%

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 9,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Deciding for Profits* — an intensive three-day seminar on executive decision-making presented several times each year at various locations by Marvin L. Carlson.
- *Budgeted Hourly Cost Guide,* with average hour rates for the most popular pieces of production equipment
- *Understanding Costs for Better Estimating and Control* — a one-day seminar on better company cost management by Harris R. Margolis, CPA.
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 N. Lynn Street
Arlington, VA 22209
(703) 841-8136

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58th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1981 Financial Ratios
Specialists

PART I LITHO PREP SPECIALISTS . . . Pages 3 to 26
PART II TYPOGRAPHERS . . . . Pages 27 to 48

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H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1981 PIA FINANCIAL RATIOS FOR SPECIALISTS who participated in the 1981 Ratio Studies. This report presents the ratios and statistics for Litho Prep Specialists in Part I (pages 3 to 26) and Typographers in Part II (pages 27 to 43).

Thus, the user of the report can direct himself to the standards within his specialty in the Report on Operations and its Supporting Schedules based on Sales, Balance Sheet, Significant Facts and Return on Investment.

This Ratio Study was developed on the basis of questionnaires volunteered by 45 Litho Prep Specialists and 32 Typographers.

The PIA ratio program is the foremost financial study of its type in the country. This is the end result of PIA Staff effort and the local association managers who encourage participation in the studies and help members to complete the questionnaires. An ambitious book publication policy is augmented by individual company computer printouts, ratio study seminars and responses to inquiries throughout the year. Our firm is proud to be part of this most successful endeavor.

H R. Margolis Company

H. R. MARGOLIS COMPANY

1981 is the 58th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1981 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Nonheatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a paticipant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
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TABLE OF CONTENTS

Page Number

FOREWORD........................ 2
CHAPTER 1 - BY SIZE OF FIRM........................ 4-13
  Report on Operations - Sales = 100%........................ 4- 5
  Supporting Schedules - Sales = 100%........................ 4- 7
  Balance Sheet........................ 8- 9
  Significant Facts........................ 10-11
  Return on Investment - Per $100 of Sales........................ 12-13
CHAPTER 2 - BY MARKET........................ 14-18
  Report on Operations - Sales = 100%........................ 14
  Supporting Schedules - Sales = 100%........................ 14-15
  Balance Sheet........................ 16
  Significant Facts........................ 17
  Return on Investment - Per $100 of Sales........................ 18
CHAPTER 3 - BY TYPE OF WORK........................ 20-24
  Report on Operations - Sales = 100%........................ 20
  Supporting Schedules - Sales = 100%........................ 20-21
  Balance Sheet........................ 22
  Significant Facts........................ 23
  Return on Investment - Per $100 of Sales........................ 24
ABSOLUTE DATA........................ 25-26

The Lithographic Preparatory Services Association is a special section of PIA which represents and supports the common interests of lithographic trade plants in serving the Graphic Arts Industry. This study of the financial ratios of lithographic preparatory specialists is but one of the services LPS offers to its members.

Each year LPS holds two major meetings. In the spring, there is a *Technical Awareness Seminar for Management*. The two day session is designed to update members on technological changes in the industry. In the fall, LPS holds its *Annual Meeting* in a resort location. This three day session allows a maximum flow of information among the membership through its half day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, LPS prepares compensation surveys, a monthly "Credit 90" report, an index of industry activity, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a trade plant producing negatives, positives, and/or plates for use in the lithographic process. Associate membership is open to any PIA Member engaged in the manufacture or distribution of supplies or equipment for use in lithography.

William Strackbein
Executive Director
Lithographic Preparatory Services Association
(703) 841-8170

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	3.20	3.05	0.00	0.00
Other chargeable materials	14.87	11.70	13.85	11.20
Outside services	3.40	3.85	1.80	2.99
TOTAL MATERIAL	21.47	18.60	15.65	14.19
FACTORY PAYROLL	36.78	31.00	36.82	33.20
FACTORY EXPENSES	13.33	14.95	18.57	19.97
TOTAL FACTORY COST OF PRODUCT	71.58	64.55	71.04	67.36
GROSS PROFIT	28.42	35.45	28.96	32.64
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	11.55	9.85	11.42	8.91
Selling expenses	10.16	10.30	4.33	6.69
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.71	20.15	15.75	15.60
INCOME BEFORE INTEREST EXPENSE	6.71	15.30	13.21	17.04
Interest expense	2.19	1.49	2.32	0.83
OPERATING INCOME	4.52	13.81	10.89	16.21
Other income (expense)	0.72	0.64	0.40	0.22
INCOME BEFORE INCOME TAXES	5.24	14.45	11.29	16.43

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	0.30%	0.07%	0.00%	0.00%
Film	9.47	7.82	11.48	7.06
Plates	1.92	1.93	2.09	3.65
Other chargeable materials	3.18	1.88	0.28	0.49
TOTAL OTHER CHARGEABLE MATERIALS	14.87	11.70	13.85	11.20
OUTSIDE SERVICES				
Composition	0.19	0.26	0.01	0.00
Offset preparation	0.65	0.73	0.11	0.19
Printing	0.91	1.34	0.00	0.00
Binding	0.06	0.14	0.00	0.00
Other outside services	1.59	1.38	1.68	2.80
TOTAL OUTSIDE SERVICES	3.40	3.85	1.80	2.99

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1.72	0.00	0.36	0.00	7.46	10.17
15.46	9.78	17.55	12.91	12.72	12.67
4.71	5.87	2.19	3.72	3.83	3.46
21.89	15.65	20.10	16.63	24.01	26.30
35.73	31.65	36.16	25.30	38.01	32.15
13.94	15.65	13.63	14.79	11.02	9.58
71.56	62.95	69.89	56.72	73.04	68.03
28.44	37.05	30.11	43.28	26.96	31.97
13.81	14.73	12.20	11.30	9.39	6.56
9.86	11.21	12.55	13.58	10.41	11.12
23.67	25.94	24.75	24.88	19.80	17.68
4.77	11.11	5.36	18.40	7.16	14.29
2.87	2.40	2.47	1.49	1.44	1.53
1.90	8.71	2.89	16.91	5.72	12.76
0.61	0.96	0.67	(0.02)	0.95	1.27
2.51	9.67	3.56	16.89	6.67	14.03

0.26%	0.00%	0.04%	0.00%	0.40%	0.18%
7.59	9.78	10.10	6.11	8.99	8.22
4.17	0.00	2.20	5.31	0.37	0.35
3.44	0.00	5.21	1.49	2.96	3.92
15.46	9.78	17.55	12.91	12.72	12.67
0.32	0.00	0.00	0.00	0.26	2.23
0.16	0.00	1.78	2.96	1.60	0.00
1.76	5.87	0.41	0.76	0.50	0.00
0.06	0.00	0.00	0.00	0.16	1.23
2.41	0.00	0.00	0.00	1.31	0.00
4.71	5.87	2.19	3.72	3.83	3.46

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.40%	3.54%	12.42%	6.83%
Direct wages	25.89	22.88	15.77	22.54
General factory salaries and wages	2.40	0.66	4.35	0.00
Packing, shipping and delivery wages	0.72	0.69	0.76	1.26
Payroll taxes	2.11	1.71	1.83	1.34
Employee benefits	2.26	1.52	1.69	1.23
TOTAL FACTORY PAYROLL	36.78	31.00	36.82	33.20
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.09	0.15	0.00	0.00
Depreciation - other	4.17	5.12	8.55	7.91
Taxes - real estate	0.09	0.07	0.00	0.00
Taxes - other	0.16	0.15	0.47	0.22
Insurance	0.59	0.97	1.74	2.01
Building rent	1.67	2.55	3.53	4.28
Utilities - heat, light, etc.	1.10	0.90	0.97	0.72
Equipment rental	0.58	0.14	0.00	0.00
Total Fixed Expenses	8.45	10.05	15.26	15.14
Other Expenses				
Factory supplies and expense	1.70	1.80	0.84	1.29
Packing, shipping and delivery expense	1.20	1.37	1.34	2.13
Repairs and maintenance	1.29	1.29	1.13	1.41
Other factory expenses	0.69	0.44	0.00	0.00
Total Other Expenses	4.88	4.90	3.31	4.83
TOTAL FACTORY EXPENSES	13.33	14.95	18.57	19.97
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.65	2.80	4.04	2.46
Salaries - office	2.42	2.24	1.68	1.51
Payroll taxes	0.43	0.26	0.17	0.00
Employee benefits	0.64	0.44	0.39	0.16
Bad debts	0.49	0.34	0.34	0.55
Office supplies and expenses	0.52	1.01	1.29	1.85
Professional fees	0.64	0.76	0.84	0.97
Taxes - business	0.20	0.07	(0.01)	(0.01)
Telephone	0.65	0.58	0.59	0.64
Other administrative expenses	1.91	1.35	2.09	0.78
TOTAL ADMINISTRATIVE EXPENSES	11.55	9.85	11.42	8.91
SELLING EXPENSES				
Salaries - executive	1.91	1.85	0.00	0.00
Salaries and commissions - salesmen	4.30	4.42	1.86	3.10
Salaries - sales office clerical	0.24	0.26	0.00	0.00
Payroll taxes	0.28	0.28	0.00	0.00
Employee benefits	0.28	0.36	0.00	0.00
Advertising	0.62	0.65	0.51	0.85
Travel and entertainment	1.70	2.05	1.73	2.74
Other selling expenses	0.83	0.43	0.23	0.00
TOTAL SELLING EXPENSES	10.16	10.30	4.33	6.69

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.47%	4.47%	2.90%	1.30%	1.67%	1.15%
26.94	22.90	27.64	20.96	26.90	24.41
1.28	0.00	1.12	0.10	3.59	2.14
0.28	0.27	0.66	0.10	1.09	0.81
2.46	2.83	2.24	1.57	1.84	1.43
2.30	1.18	1.60	1.27	2.92	2.21
35.73	31.65	36.16	25.30	38.01	32.15
0.02	0.00	0.00	0.00	0.24	0.51
3.67	5.80	4.68	4.77	2.78	2.08
0.08	0.00	0.08	0.00	0.13	0.25
0.15	0.10	0.15	0.33	0.08	0.01
0.54	1.02	0.40	0.38	0.41	0.30
2.04	3.42	1.60	2.19	0.87	0.48
1.44	1.62	0.95	0.70	1.01	0.73
1.07	0.69	0.84	0.00	0.20	0.01
9.01	12.65	8.70	8.37	5.72	4.37
2.21	1.58	1.03	1.54	2.09	2.62
0.75	0.35	1.52	1.97	1.26	0.88
1.40	1.00	1.17	1.50	1.36	1.23
0.57	0.07	1.21	1.41	0.59	0.48
4.93	3.00	4.93	6.42	5.30	5.21
13.94	15.65	13.63	14.79	11.02	9.58
4.30	4.26	3.91	3.94	2.87	1.37
3.26	3.64	2.76	2.31	1.77	1.97
0.86	0.71	0.35	0.41	0.26	0.12
0.61	0.60	0.73	0.66	0.66	0.48
0.46	0.36	0.67	0.31	0.43	0.13
0.49	0.88	0.39	0.52	0.39	0.60
0.69	0.78	0.53	0.83	0.61	0.49
0.30	0.00	0.28	0.20	0.12	0.12
0.67	0.91	0.87	0.75	0.49	0.20
2.17	2.59	1.71	1.37	1.79	1.08
13.81	14.73	12.20	11.30	9.39	6.56
2.67	4.26	2.64	3.23	1.40	1.18
3.40	2.56	4.76	5.35	5.35	6.33
0.12	0.00	0.35	0.91	0.33	0.27
0.35	0.61	0.38	0.53	0.24	0.18
0.28	0.29	0.29	0.73	0.36	0.51
0.27	0.48	1.25	0.43	0.45	0.71
1.77	1.86	2.01	2.18	1.42	1.41
1.00	1.15	0.87	0.22	0.86	0.53
9.86	11.21	12.55	13.58	10.41	11.12

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	5.83%	5.94%	9.97%	4.34%
Receivables	35.39	34.21	15.55	23.54
Inventories	8.17	7.01	3.96	5.55
Other current assets	2.08	2.10	3.56	4.89
TOTAL CURRENT ASSETS	51.47	49.26	33.04	38.32
FIXED ASSETS				
Real estate	3.65	4.93	0.00	0.00
Less: Accumulated depreciation	1.11	0.49	0.00	0.00
	2.54	4.44	0.00	0.00
Machinery and equipment	67.10	64.26	101.96	92.50
Less: Accumulated depreciation	32.65	28.58	44.43	43.47
	34.45	35.68	57.53	49.03
Other fixed assets	11.08	8.38	6.32	7.67
Less: Accumulated depreciation	4.59	1.96	1.41	2.34
	6.49	6.42	4.91	5.33
NET FIXED ASSETS	43.48	46.54	62.44	54.36
OTHER ASSETS	5.05	4.20	4.52	7.32
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	8.43	9.25	4.74	7.89
Accounts payable	10.85	11.44	11.44	18.79
Other current liabilities	14.88	15.64	20.24	17.00
TOTAL CURRENT LIABILITIES	34.16	36.33	36.42	43.68
LONG-TERM LIABILITIES	28.77	13.64	19.28	11.46
TOTAL LIABILITIES	62.93	49.97	55.70	55.14
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.07	50.03	44.30	44.86
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.51	1.36	0.91	0.88
QUICK RATIO	1.27	1.16	0.80	0.75
TOTAL LIABILITIES TO EQUITY	1.70	1.00	1.26	1.23
LONG-TERM LIABILITIES TO EQUITY	0.78	0.27	0.44	0.26
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.44	0.44	0.47

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.31%	7.80%	5.99%	8.55%	6.31%	4.55%
43.17	42.29	38.29	38.24	33.59	36.81
9.46	5.66	6.68	5.07	9.63	10.67
1.77	0.31	2.07	1.58	1.86	0.85
57.71	56.06	53.03	53.44	51.39	52.88
1.75	1.77	0.00	0.00	8.95	15.27
0.81	0.41	0.00	0.00	2.51	1.37
0.94	1.36	0.00	0.00	6.44	13.90
72.21	74.26	61.96	44.60	56.25	42.47
40.63	34.39	28.54	21.34	26.07	14.65
31.58	39.87	33.42	23.26	30.18	27.82
11.85	4.29	17.75	20.49	6.97	3.74
4.64	2.44	7.17	1.59	3.61	1.50
7.21	1.85	10.58	18.90	3.36	2.24
39.73	43.08	44.00	42.16	39.98	43.96
2.56	0.86	2.97	4.40	8.63	3.16
100.00	100.00	100.00	100.00	100.00	100.00
6.83	14.14	13.26	15.66	7.17	3.06
11.17	11.36	10.72	3.24	10.53	9.60
14.21	9.83	14.37	8.09	14.08	23.22
32.21	35.33	38.35	26.99	31.78	35.88
38.96	18.88	27.27	12.22	25.22	13.27
71.17	54.21	65.62	39.21	57.00	49.15
28.83	45.79	34.38	60.79	43.00	50.85
100.00	100.00	100.00	100.00	100.00	100.00

1.79	1.59	1.38	1.98	1.62	1.47
1.50	1.43	1.21	1.79	1.31	1.18
2.47	1.18	1.91	0.65	1.33	0.97
1.35	0.41	0.79	0.20	0.59	0.26
0.56	0.46	0.46	0.48	0.46	0.34

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 29,083	$ 43,265	$ 32,012	$ 34,960
Average assets per factory employee (Excluding Executives)	44,531	72,366	53,861	45,825
Average net worth per employee - All employees	11,540	19,785	9,131	8,381
Average gross plant investment per factory employee (Excluding Executives)	35,136	52,678	57,650	46,962
Net worth percentage of fixed assets	126.80%	141.35%	82.76%	99.48%
EMPLOYEES				
Percent factory - All employees	75.06%	71.85%	80.86%	81.43%
Percent administrative - All employees	14.13	15.63	15.50	12.51
Percent sales - All employees	10.81	12.52	3.64	6.06
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 56,802	$ 78,822	$ 54,725	$ 65,812
Sales per factory employee	80,305	124,341	70,462	80,668
Sales less material per factory employee	63,229	100,987	57,810	66,001
Sales per administrative employee	453,999	514,134	314,688	481,837
EXCLUDING EXECUTIVES				
Sales per employee - All employees	64,918	89,179	72,604	78,680
Sales per factory employee	87,251	136,230	86,330	87,341
Sales less material per factory employee	68,841	111,000	71,069	71,793
SALES PER SALESMAN	355,926	411,474	0	0
SALES TO CURRENT ASSETS	466%	439%	844%	648%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	50.92%	43.89%	44.95%	40.45%
Factory payroll percentage of gross plant investment	112.75	96.39	90.46	92.23
Payroll per employee - All employees	$ 27,847	$ 32,266	$ 17,191	$ 16,006
Payroll per factory employee	28,298	38,771	16,794	15,485
Payroll per administrative employee	28,279	26,131	15,233	17,314
Payroll per sales employee	33,529	35,931	4,000	6,667
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 22,360	$ 26,570	$ 11,911	$ 12,548
Payroll per factory employee	24,450	35,300	12,246	12,607
Payroll per administrative employee	13,081	12,107	5,967	6,664
Payroll per sales employee	24,980	28,987	4,000	6,667
EXECUTIVE PAYROLL				
Payroll per executive - All executives	46,497	46,529	25,891	26,272
Payroll per factory executive	25,232	26,968	20,857	17,882
Payroll per administrative executive	52,906	53,150	15,313	14,662
Payroll per sales executive	34,249	39,327	0	0
RECEIVABLES				
Collection period	65.1	66.1	30.2	42.1
PROFIT				
Gross profit percentage of sales	28.42%	35.45%	28.96%	32.64%
Average gross profit per factory employee	$ 26,455	$ 48,518	$ 29,756	$ 33,105
Income before taxes percentage of sales	5.24%	14.45%	11.29%	16.43%
Average income before taxes per employee	$ 4,083	$ 13,037	$ 9,099	$ 14,214

BEST AVAILABLE COPY

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 24,465	$ 28,450	$ 24,228	$ 43,618	$ 35,271	$ 61,212
36,938	48,752	37,236	71,541	52,781	115,199
8,970	12,360	9,842	26,467	15,494	31,685
32,073	46,010	29,060	46,802	34,955	66,756
171.12%	226.72%	99.64%	146.97%	127.70%	122.54%
72.45%	70.93%	72.66%	65.34%	77.00%	67.23%
17.13	17.21	13.80	17.37	11.69	16.55
10.42	11.86	13.54	17.29	11.31	16.22
$ 49,055	$ 52,166	$ 50,006	$ 71,369	$ 68,358	$114,572
68,853	75,016	71,080	109,344	98,888	210,896
53,961	63,372	56,961	91,021	76,575	167,693
361,916	393,306	387,536	414,236	616,442	693,583
58,331	63,981	55,979	79,515	74,160	122,919
74,573	83,687	75,759	116,783	105,666	233,114
58,446	70,749	60,832	97,409	81,946	186,101
299,823	0	295,074	197,582	435,884	518,419
400%	412%	433%	309%	422%	336%
51.58%	48.57%	52.32%	43.37%	51.25%	44.56%
107.88	122.24	124.40	63.66	114.62	105.13
$ 25,419	$ 25,662	$ 25,539	$ 30,908	$ 34,731	$ 53,834
24,343	22,978	23,922	27,560	38,140	80,060
27,512	32,865	28,091	30,153	33,073	27,776
31,463	45,468	31,269	45,189	46,001	52,666
$ 20,089	$ 18,751	$ 19,966	$ 23,643	$ 29,123	$ 47,757
20,472	18,481	20,537	24,698	34,182	76,275
15,130	15,590	13,452	11,729	13,489	15,479
18,425	35,448	18,733	31,313	41,137	45,449
32,618	45,752	49,902	59,407	60,792	58,718
18,782	44,906	28,982	10,809	28,624	34,867
36,810	49,212	59,970	100,103	71,426	62,960
24,154	43,690	42,416	87,103	46,398	43,894
81.1	69.8	65.6	85.0	63.8	75.0
28.44%	37.05%	30.11%	43.28%	26.96%	31.97%
$ 21,932	$ 31,671	$ 25,156	$ 50,533	$ 29,789	$ 73,819
2.51%	9.67%	3.56%	16.89%	6.67%	14.03%
$ 1,658	$ 5,074	$ 2,353	$ 12,114	$ 5,632	$ 17,784

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 3.38	$ 2.90	$ 5.41	$ 0.70
Receivables	17.09	17.83	8.04	11.18
Inventories	4.00	4.11	2.27	2.79
Marketable securities	0.19	0.00	0.00	0.00
Other current assets	0.80	0.97	1.43	1.99
	25.46	25.81	17.15	16.66
Plant Investment:				
Land and building	2.09	3.59	0.00	0.00
Machinery and equipment	33.93	34.72	51.22	41.01
Other fixed assets	5.31	5.00	4.35	4.57
	41.33	43.31	55.57	45.58
Non-Current Assets	2.48	2.22	1.64	2.55
TOTAL INVESTMENT	69.27	71.34	74.36	64.79
INVESTMENT TURNOVER PER $100 OF SALES	144.36%	140.17%	134.48%	154.34%
EARNINGS				
Cost of Product	$71.58	$64.55	$71.04	$67.36
Selling Expenses	10.16	10.30	4.33	6.69
Administrative Expenses	11.55	9.85	11.42	8.91
	93.29	84.70	86.79	82.96
Income Before Interest, Other Income (Expense), and Taxes	6.71	15.30	13.21	17.04
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.69%	21.45%	17.76%	26.30%

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 2.05	$ 4.33	$ 3.22	$ 5.45	$ 3.88	$ 2.45
20.27	18.89	17.56	22.94	17.16	20.38
4.42	3.00	3.05	3.11	4.93	6.82
0.36	0.00	0.06	0.00	0.21	0.00
0.56	0.16	0.93	1.01	0.69	0.46
27.66	26.38	24.82	32.51	26.87	30.11
0.88	1.27	0.00	0.00	5.22	11.11
37.96	46.68	29.87	27.38	28.56	25.33
5.39	2.00	8.09	12.60	3.47	2.37
44.23	49.95	37.96	39.98	37.25	38.81
1.08	0.58	1.40	2.76	4.60	2.65
72.97	76.91	64.18	75.25	68.72	71.57
137.04%	130.02%	155.81%	132.89%	145.52%	139.72%
$71.56	$62.95	$69.89	$56.72	$73.04	$68.03
9.86	11.21	12.55	13.58	10.41	11.12
13.81	14.73	12.20	11.30	9.39	6.56
95.23	88.89	94.64	81.60	92.84	85.71
4.77	11.11	5.36	18.40	7.16	14.29
6.54%	14.45%	8.35%	24.45%	10.42%	19.97%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**	PUBLISHERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	0.11	0.00	5.26	0.71
Other chargeable materials	17.25	12.46	12.74	14.65
Outside services	4.18	4.71	3.55	1.48
TOTAL MATERIAL	21.54	17.17	21.55	16.84
FACTORY PAYROLL	35.60	27.80	38.63	41.98
FACTORY EXPENSES	13.88	16.50	10.24	15.56
TOTAL FACTORY COST OF PRODUCT	71.02	61.47	70.42	74.38
GROSS PROFIT	28.98	38.53	29.58	25.62
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	12.21	10.02	13.29	8.21
Selling expenses	9.90	10.94	10.01	12.09
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.11	20.96	23.30	20.30
INCOME BEFORE INTEREST EXPENSE	6.87	17.57	6.28	5.32
Interest expense	2.63	1.07	1.73	1.80
OPERATING INCOME	4.24	16.50	4.55	3.52
Other income	0.71	0.33	0.61	0.61
INCOME BEFORE INCOME TAXES	4.95	16.83	5.16	4.13

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.01%	0.00%	0.88%	0.31%
Film	10.96	7.06	9.90	10.83
Plates	2.79	4.49	0.38	0.73
Other chargeable materials	3.49	0.91	1.58	2.78
TOTAL OTHER CHARGEABLE MATERIALS	17.25	12.46	12.74	14.65
OUTSIDE SERVICES				
Composition	0.25	0.00	0.01	0.21
Offset preparation	0.56	1.51	0.21	1.07
Printing	0.97	0.34	1.71	0.03
Binding	0.00	0.00	0.00	0.13
Other outside services	2.40	2.86	1.62	0.04
TOTAL OUTSIDE SERVICES	4.18	4.71	3.55	1.48

** Sample insufficient for Profit Leaders.

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**	PUBLISHERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
FACTORY PAYROLL				
Salaries - executive	4.85%	4.76%	0.93%	3.10%
Direct wages	23.61	18.95	28.70	30.29
General factory salaries and wages	2.09	0.04	3.57	2.48
Packing, shipping and delivery wages	0.69	0.91	1.03	0.98
Payroll taxes	2.14	1.51	1.96	2.55
Employee benefits	2.22	1.63	2.44	2.58
TOTAL FACTORY PAYROLL	35.60	27.80	38.63	41.98
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.05	0.00	0.02	0.08
Depreciation - other	4.67	6.35	3.39	4.53
Taxes - real estate	0.07	0.00	0.05	0.05
Taxes - other	0.20	0.24	0.09	0.18
Insurance	0.46	0.42	0.65	0.40
Building rent	2.00	3.20	1.65	1.01
Utilities - heat, light, etc.	1.05	0.91	0.88	1.17
Equipment rental	0.81	0.28	0.26	0.87
Total Fixed Expenses	9.31	11.40	6.99	8.29
Other Expenses				
Factory supplies and expense	1.45	1.67	0.93	2.10
Packing, shipping and delivery expense	1.19	1.58	0.80	2.00
Repairs and maintenance	1.20	1.29	1.21	1.62
Other factory expenses	0.73	0.56	0.31	1.55
Total Other Expenses	4.57	5.10	3.25	7.27
TOTAL FACTORY EXPENSES	13.88	16.50	10.24	15.56
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.86	3.18	4.23	2.38
Salaries - office	2.29	1.57	3.42	1.59
Payroll taxes	0.58	0.32	0.36	0.22
Employee benefits	0.63	0.43	0.80	0.55
Bad debts	0.53	0.49	0.58	0.30
Office supplies and expenses	0.53	1.06	0.49	0.49
Professional fees	0.67	1.01	0.74	0.42
Taxes - business	0.20	0.07	0.07	0.50
Telephone	0.72	0.60	0.60	0.65
Other administrative expenses	2.20	1.29	2.00	1.11
TOTAL ADMINISTRATIVE EXPENSES	12.21	10.02	13.29	8.21
SELLING EXPENSES				
Salaries - executive	1.99	2.27	2.13	2.37
Salaries and commissions - salesmen	4.21	4.63	3.82	4.48
Salaries - sales office clerical	0.19	0.37	0.25	0.51
Payroll taxes	0.31	0.37	0.26	0.22
Employee benefits	0.23	0.37	0.28	0.40
Advertising	0.43	0.55	0.58	1.58
Travel and entertainment	1.72	2.25	1.55	1.71
Other selling expenses	0.82	0.13	1.14	0.82
TOTAL SELLING EXPENSES	9.90	10.94	10.01	12.09

** Sample insufficient for Profit Leaders.

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BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**	PUBLISHERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
ASSETS				
CURRENT ASSETS				
Cash	5.45%	4.99%	7.50%	4.91%
Receivables	35.99	39.89	40.58	33.61
Inventories	8.16	6.68	5.60	8.16
Other current assets	2.14	1.87	1.09	2.15
TOTAL CURRENT ASSETS	51.74	53.43	54.77	48.83
FIXED ASSETS				
Real estate	1.05	0.00	1.81	6.50
Less: Accumulated depreciation	0.45	0.00	0.60	2.85
	0.60	0.00	1.21	3.65
Machinery and equipment	68.16	60.95	55.82	73.59
Less: Accumulated depreciation	32.13	28.67	27.08	34.47
	36.03	32.28	28.74	39.12
Other fixed assets	10.63	14.12	9.94	18.15
Less: Accumulated depreciation	2.98	2.90	4.57	9.77
	7.65	11.22	5.37	8.38
NET FIXED ASSETS	44.28	43.50	35.32	51.15
OTHER ASSETS	3.98	3.07	9.91	0.02
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	7.63	8.49	10.56	8.63
Accounts payable	11.48	15.50	11.50	9.06
Other current liabilities	14.40	16.33	12.52	25.10
TOTAL CURRENT LIABILITIES	33.51	40.32	34.58	42.79
LONG-TERM LIABILITIES	34.07	8.13	25.35	25.57
TOTAL LIABILITIES	67.58	48.45	59.93	68.36
SHAREHOLDERS' AND PROPRIETORS' EQUITY	32.42	51.55	40.07	31.64
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.54	1.33	1.58	1.14
QUICK RATIO	1.30	1.16	1.42	0.95
TOTAL LIABILITIES TO EQUITY	2.08	0.94	1.50	2.16
LONG-TERM LIABILITIES TO EQUITY	1.05	0.16	0.63	0.81
ACCUMULATED DEPRECIATION MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.47	0.47	0.49	0.47

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**	PUBLISHERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
INVESTMENT				
Average assets per employee - All employees	$ 28,640	$ 41,246	$ 28,321	$ 32,820
Average assets per factory employee (Excluding Executives)	44,010	59,737	39,418	60,882
Average net worth per employee - All employees	10,032	17,226	10,912	14,859
Average gross plant investment per factory employee (Excluding Executives)	36,080	47,572	27,145	46,407
Net worth percentage of fixed assets	112.73%	174.41%	189.19%	79.77%
EMPLOYEES				
Percent factory - All employees	74.09%	74.06%	75.22%	75.79%
Percent administrative - All employees	14.35	13.98	14.95	13.02
Percent sales - All employees	11.56	11.96	9.83	11.19
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 55,051	$ 73,926	$ 53,477	$ 75,148
Sales per factory employee	75,459	99,527	71,752	127,281
Sales less material per factory employee	59,246	81,557	56,431	106,093
Sales per administrative employee	438,391	528,564	430,236	563,213
EXCLUDING EXECUTIVES				
Sales per employee - All employees	65,363	85,691	58,337	83,070
Sales per factory employee	83,417	106,773	73,935	141,195
Sales less material per factory employee	65,647	87,767	58,242	117,781
SALES PER SALESMAN	306,649	197,582	377,905	443,407
SALES TO CURRENT ASSETS	476%	407%	429%	494%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	49.89%	51.32%	54.18%	54.68%
Factory payroll percentage of gross plant investment	111.61	90.49	141.30	110.47
Payroll per employee - All employees	$ 25,765	$ 25,284	$ 28,962	$ 39,657
Payroll per factory employee	24,637	22,671	27,395	52,150
Payroll per administrative employee	27,952	28,202	33,546	25,064
Payroll per sales employee	28,065	36,644	39,715	43,661
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 19,912	$ 18,558	$ 23,637	$ 33,478
Payroll per factory employee	20,353	18,829	24,093	47,894
Payroll per administrative employee	12,610	9,047	14,778	11,769
Payroll per sales employee	19,283	28,383	28,402	35,852
EXECUTIVE PAYROLL				
Payroll per executive - All executives	40,790	49,680	70,165	41,785
Payroll per factory executive	29,395	24,578	14,922	32,589
Payroll per administrative executive	44,399	60,505	85,809	39,131
Payroll per sales executive	28,326	48,096	44,439	52,973
RECEIVABLES				
Collection period	68.1	75.8	73.1	54.7
PROFIT				
Gross profit percentage of sales	28.98%	38.53%	29.58%	25.62%
Average gross profit per factory employee	$ 25,905	$ 43,056	$ 22,411	$ 42,524
Income before taxes percentage of sales	4.95%	16.83%	5.16%	4.13%
Average income before taxes per employee	$ 3,889	$ 14,051	$ 2,721	$ 7,093

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES**	PUBLISHERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
INVESTMENT				
Current Assets:				
Cash	$ 3.22	$ 2.44	$ 5.20	$ 2.23
Receivables	17.41	20.36	19.64	14.92
Inventories	3.96	3.45	2.89	3.68
Marketable securities	0.12	0.00	0.20	0.02
Other current assets	0.95	1.09	0.39	0.93
	25.66	27.34	28.32	21.78
Plant Investment:				
Land and building	0.47	0.00	0.96	3.27
Machinery and equipment	35.54	32.63	30.71	32.50
Other fixed assets	5.48	8.31	4.42	7.77
	41.49	40.94	36.09	43.54
Non-Current Assets	1.91	1.71	5.08	0.01
TOTAL INVESTMENT	69.06	69.99	69.49	65.33
INVESTMENT TURNOVER PER $100 OF SALES	144.80%	142.88%	143.91%	153.07%
EARNINGS				
Cost of Product	$71.02	$61.47	$70.42	$74.38
Selling Expenses	9.90	10.94	10.01	12.09
Administrative Expenses	12.21	10.02	13.29	8.21
	93.13	82.43	93.72	94.68
Income Before Interest, Other Income and Taxes	6.87	17.57	6.28	5.32
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.95%	25.10%	9.04%	8.14%

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	1.42	0.00	2.98	0.56
Other chargeable materials	12.44	11.20	15.54	11.97
Outside services	5.48	2.99	3.09	4.40
TOTAL MATERIAL	19.34	14.19	21.61	16.93
FACTORY PAYROLL	37.07	33.20	36.55	31.76
FACTORY EXPENSES	15.56	19.97	12.83	13.65
TOTAL FACTORY COST OF PRODUCT	71.97	67.36	70.99	62.34
GROSS PROFIT	28.03	32.64	29.01	37.66
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.88	8.91	11.92	10.75
Selling expenses	7.38	6.69	10.93	11.84
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.26	15.60	22.85	22.59
INCOME BEFORE INTEREST EXPENSE	9.77	17.04	6.16	15.07
Interest expense	0.90	0.83	2.45	1.76
OPERATING INCOME	8.87	16.21	3.71	13.31
Other income	0.34	0.22	0.80	0.74
INCOME BEFORE INCOME TAXES	9.21	16.43	4.51	14.05

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	0.12%	0.00%	0.36%	0.10%
Film	8.37	7.06	9.72	8.15
Plates	2.67	3.65	1.65	1.33
Other chargeable materials	1.28	0.49	3.81	2.39
TOTAL OTHER CHARGEABLE MATERIALS	12.44	11.20	15.54	11.97
OUTSIDE SERVICES				
Composition	0.48	0.00	0.10	0.47
Offset preparation	0.19	0.19	0.99	1.18
Printing	1.28	0.00	0.91	2.49
Binding	0.00	0.00	0.10	0.26
Other outside services	3.53	2.80	0.99	0.00
TOTAL OUTSIDE SERVICES	5.48	2.99	3.09	4.40

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	7.69%	6.83%	2.57%	2.43%
Direct wages	16.48	22.54	27.44	23.99
General factory salaries and wages	6.42	0.00	1.60	0.90
Packing, shipping and delivery wages	1.19	1.26	0.67	0.53
Payroll taxes	2.70	1.34	1.98	2.18
Employee benefits	2.59	1.23	2.29	1.73
TOTAL FACTORY PAYROLL	37.07	33.20	36.55	31.76
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.00	0.00	0.09	0.14
Depreciation - other	5.12	7.91	4.04	4.17
Taxes - real estate	0.00	0.00	0.10	0.04
Taxes - other	0.34	0.22	0.14	0.15
Insurance	1.18	2.01	0.50	0.58
Building rent	2.68	4.28	1.49	2.06
Utilities - heat, light, etc.	1.17	0.72	1.11	1.06
Equipment rental	0.12	0.00	0.62	0.24
Total Fixed Expenses	10.61	15.14	8.09	8.44
Other Expenses				
Factory supplies and expense	1.69	1.29	1.72	2.26
Packing, shipping and delivery expense	1.38	2.13	1.09	0.99
Repairs and maintenance	1.28	1.41	1.29	1.23
Other factory expenses	0.60	0.00	0.64	0.73
Total Other Expenses	4.95	4.83	4.74	5.21
TOTAL FACTORY EXPENSES	15.56	19.97	12.83	13.65
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.57	2.47	3.95	3.21
Salaries - office	1.97	1.50	2.55	2.62
Payroll taxes	0.76	0.00	0.39	0.43
Employee benefits	0.19	0.16	0.73	0.53
Bad debts	0.26	0.55	0.55	0.25
Office supplies and expenses	0.95	1.85	0.43	0.59
Professional fees	0.85	0.97	0.60	0.65
Taxes - business	0.41	(0.01)	0.16	0.09
Telephone	0.49	0.64	0.71	0.66
Other administrative expenses	2.43	0.78	1.85	1.72
TOTAL ADMINISTRATIVE EXPENSES	10.88	8.91	11.92	10.75
SELLING EXPENSES				
Salaries - executive	0.21	0.00	2.26	2.58
Salaries and commissions - salesmen	3.85	3.10	4.46	4.88
Salaries - sales office clerical	0.20	0.00	0.25	0.36
Payroll taxes	0.18	0.00	0.31	0.47
Employee benefits	0.17	0.00	0.31	0.52
Advertising	0.45	0.85	0.66	0.45
Travel and entertainment	1.69	2.74	1.77	1.86
Other selling expenses	0.63	0.00	0.91	0.72
TOTAL SELLING EXPENSES	7.38	6.69	10.93	11.84

BALANCE SHEET

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	4.37%	4.34%	6.23%	7.73%
Receivables	31.87	23.53	36.85	41.99
Inventories	5.98	5.55	8.56	6.69
Other current assets	3.35	4.90	1.93	1.00
TOTAL CURRENT ASSETS	45.57	38.32	53.57	57.41
FIXED ASSETS				
Real estate	0.00	0.00	3.89	4.18
Less: Accumulated depreciation	0.00	0.00	1.34	0.55
	0.00	0.00	2.55	3.63
Machinery and equipment	84.79	92.50	64.95	54.43
Less: Accumulated depreciation	40.22	43.47	32.58	25.19
	44.57	49.03	32.37	29.24
Other fixed assets	10.34	7.67	10.74	9.68
Less: Accumulated depreciation	3.67	2.34	4.68	1.91
	6.67	5.33	6.06	7.77
NET FIXED ASSETS	51.24	54.36	40.98	40.64
OTHER ASSETS	3.19	7.32	5.45	1.95
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	5.34	7.89	9.50	11.46
Accounts payable	10.79	18.80	10.83	8.01
Other current liabilities	19.50	17.00	12.63	12.96
TOTAL CURRENT LIABILITIES	35.63	43.69	32.96	32.43
LONG-TERM LIABILITIES	11.16	11.45	31.86	14.60
TOTAL LIABILITIES	46.79	55.14	64.82	47.03
SHAREHOLDERS' AND PROPRIETORS' EQUITY	53.21	44.86	35.18	52.97
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.28	0.88	1.63	1.77
QUICK RATIO	1.11	0.75	1.37	1.56
TOTAL LIABILITIES TO EQUITY	0.88	1.23	1.84	0.89
LONG-TERM LIABILITIES TO EQUITY	0.21	0.26	0.91	0.28
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.47	0.47	0.50	0.46

SIGNIFICANT FACTS

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 26,973	$ 34,960	$ 29,194	$ 44,833
Average assets per factory employee (Excluding Executives)	37,710	45,825	45,835	84,733
Average net worth per employee - All employees	10,243	8,381	11,705	24,091
Average gross plant investment per factory employee (Excluding Executives)	35,082	46,962	35,394	55,821
Net worth percentage of fixed assets	134.32%	99.48%	130.92%	172.19%
EMPLOYEES				
Percent factory - All employees	79.30%	81.43%	73.65%	66.26%
Percent administrative - All employees	11.94	12.51	14.84	17.76
Percent sales - All employees	8.76	6.06	11.51	15.98
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 57,886	$ 65,812	$ 57,137	$ 87,290
Sales per factory employee	75,809	80,668	82,420	152,326
Sales less material per factory employee	59,136	66,001	65,423	126,839
Sales per administrative employee	436,782	481,837	454,034	524,548
EXCLUDING EXECUTIVES				
Sales per employee - All employees	68,433	78,680	65,040	97,598
Sales per factory employee	84,062	87,341	89,367	168,591
Sales less material per factory employee	65,634	71,793	71,069	140,507
SALES PER SALESMAN	334,963	0	357,673	411,474
SALES TO CURRENT ASSETS	734%	648%	409%	351%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	47.16%	40.45%	51.77%	47.36%
Factory payroll percentage of gross plant investment	106.92	92.23	114.08	108.79
Payroll per employee - All employees	$ 22,033	$ 16,006	$ 29,423	$ 42,043
Payroll per factory employee	21,226	15,485	30,289	53,990
Payroll per administrative employee	22,777	17,314	29,713	31,145
Payroll per sales employee	17,587	6,667	36,902	47,016
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 16,520	$ 12,548	$ 23,798	$ 34,922
Payroll per factory employee	16,411	12,607	26,492	49,831
Payroll per administrative employee	11,320	6,664	13,499	14,684
Payroll per sales employee	15,985	6,667	26,858	37,426
EXECUTIVE PAYROLL				
Payroll per executive - All executives	42,235	26,272	47,432	52,909
Payroll per factory executive	16,823	17,882	27,131	32,011
Payroll per administrative executive	36,157	14,662	56,242	69,794
Payroll per sales executive	5,942	0	39,109	50,264
RECEIVABLES				
Collection period	51.8	42.1	68.7	78.5
PROFIT				
Gross profit percentage of sales	28.03%	32.64%	29.01%	37.66%
Average gross profit per factory employee	$ 26,694	$ 33,105	$ 27,058	$ 59,782
Income before taxes percentage of sales	9.21%	16.43%	4.51%	14.05%
Average income before taxes per employee	$ 7,231	$ 14,214	$ 3,507	$ 13,400

RETURN ON INVESTMENT - PER $100 OF SALES

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.05	$ 0.70	$ 3.95	$ 4.48
Receivables	13.95	11.18	17.92	21.27
Inventories	2.71	2.79	4.10	3.50
Marketable securities	0.11	0.00	0.21	0.00
Other current assets	1.16	1.99	0.77	0.58
	18.98	16.66	26.95	29.83
Plant Investment:				
Land and building	0.00	0.00	2.02	2.43
Machinery and equipment	34.14	41.01	34.32	31.72
Other fixed assets	4.95	4.57	5.23	5.66
	39.09	45.58	41.57	39.81
Non-Current Assets	1.11	2.55	2.68	1.23
TOTAL INVESTMENT	59.18	64.79	71.20	70.87
INVESTMENT TURNOVER PER $100 OF SALES	168.98%	154.34%	140.45%	141.10%
EARNINGS				
Cost of Product	$71.97	$67.36	$70.99	$62.34
Selling Expenses	7.38	6.69	10.93	11.84
Administrative Expenses	10.88	8.91	11.92	10.75
	90.23	82.96	93.84	84.93
Income Before Interest, Other Income, and Taxes	9.77	17.04	6.16	15.07
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	16.51%	26.30%	8.65%	21.26%

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	45	$1,598,000	$3,223,000	$186,000
TOTAL - PROFIT LEADERS*	10	1,414,000	2,387,000	346,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	5	121,000	240,000	25,000
$500,000-$1,500,000	12	447,000	903,000	31,000
$1,500,000-$3,000,000	12	907,000	1,933,000	65,000
Over $3,000,000	16	3,441,000	6,864,000	444,000
PROFIT LEADERS				
0-$500,000	3	110,000	273,000	38,000
$500,000-$1,500,000	2	396,000	765,000	76,000
$1,500,000-$3,000,000	2	1,068,000	1,750,000	298,000
Over $3,000,000	3	3,629,000	6,006,000	867,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	23	945,000	1,938,000	81,000
Advertising Agencies	9	1,941,000	3,847,000	183,000
Publishers	6	1,641,000	3,693,000	296,000
PROFIT LEADERS				
Printers and Lithographers	5	541,000	964,000	153,000
BY TYPE OF WORK				
ALL FIRMS				
Black and White	7	882,000	1,917,000	78,000
Color Work	36	1,654,000	3,422,000	200,000
PROFIT LEADERS				
Black and White	3	110,000	273,000	38,000
Color Work	6	1,421,000	2,836,000	448,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 26.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 =	20.7%

TABLE OF CONTENTS PART II TYPOGRAPHERS

Page Number

CHAPTER 1 - BY SIZE OF FIRM.......... 28-37
    Report on Operations - Sales = 100%.......... 28-29
    Supporting Schedules - Sales = 100%.......... 28-31
    Balance Sheet.......... 32-33
    Significant Facts.......... 34-35
    Return on Investment - Per $100 of Sales.......... 36-37
CHAPTER 2 - BY MARKET.......... 38-47
    Report on Operations - Sales = 100%.......... 38-39
    Supporting Schedules - Sales = 100%.......... 38-41
    Balance Sheet.......... 42-43
    Significant Facts.......... 44-45
    Return on Investment - Per $100 of Sales.......... 46-47
ABSOLUTE DATA.......... 48

The National Composition Association, a section of Printing Industries of America, is specifically designed to focus on the special interests of its members and the composition industry in all facets of composition production, management, and technology.

NCA provides a monthly newsletter including technical information relating to new equipment, techniques, and materials, as well as general management-oriented information of interest to the membership. The newsletter informs the membership of current activities within the section and the industry, and serves as a link for better communication between member companies. The Maintenance Referral Service provides a unique communication loop between members and manufacturers. NCA's Annual Convention and Exposition are oriented toward composition technology and other topics of interest to the industry's management. National and regional Seminars offer practical information for use today. Topics include: Making the Equipment Decision; Composition Production and Estimating; Input and Keyboarding; Photocomposition; and Costing and Pricing.

For more information about the National Composition Association, please write or call me at Printing Industries of America.

Wade Dowdle

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REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	2.13	3.39	1.21	3.45
Other chargeable materials	5.38	4.33	3.78	2.50
Outside services	4.88	0.53	11.83	0.17
TOTAL MATERIAL	12.39	8.25	16.82	6.12
FACTORY PAYROLL	42.99	37.82	41.86	43.36
FACTORY EXPENSES	16.89	17.48	18.71	19.85
TOTAL FACTORY COST OF PRODUCT	72.27	63.55	77.39	69.33
GROSS PROFIT	27.73	36.45	22.61	30.67
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.57	17.48	14.92	16.23
Selling expenses	7.57	5.67	4.34	2.22
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.14	23.15	19.26	18.45
INCOME BEFORE INTEREST EXPENSE	5.59	13.30	3.35	12.22
Interest expense	2.03	1.45	1.54	0.74
OPERATING INCOME	3.56	11.85	1.81	11.48
Other income (expense)	0.03	(0.30)	0.61	(0.49)
INCOME BEFORE INCOME TAXES	3.59	11.55	2.42	10.99

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	0.01%	0.00%	0.00%	0.00%
Film	4.36	4.33	2.90	2.50
Plates	0.07	0.00	0.00	0.00
Other chargeable materials	0.94	0.00	0.88	0.00
TOTAL OTHER CHARGEABLE MATERIALS	5.38	4.33	3.78	2.50
OUTSIDE SERVICES				
Composition	0.77	0.24	0.87	0.17
Offset preparation	0.28	0.00	0.00	0.00
Printing	3.22	0.29	10.96	0.00
Binding	0.27	0.00	0.00	0.00
Other outside services	0.34	0.00	0.00	0.00
TOTAL OUTSIDE SERVICES	4.88	0.53	11.83	0.17

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
0.97	0.00	11.56	1.77
6.71	5.65	2.73	5.62
0.88	0.66	3.73	6.12
8.56	6.31	18.02	13.51
44.39	35.93	39.35	42.66
15.82	14.83	21.95	13.27
68.77	57.07	79.32	69.44
31.23	42.93	20.68	30.56
15.36	20.06	11.54	12.90
8.87	8.49	2.35	13.53
24.23	28.55	13.89	26.43
7.00	14.38	6.79	4.13
2.06	2.17	3.32	2.04
4.94	12.21	3.47	2.09
(0.48)	(0.24)	0.73	0.18
4.46	11.97	4.20	2.27

0.00%	0.00%	0.05%	0.03%
6.71	5.65	2.68	4.16
0.00	0.00	0.00	0.32
0.00	0.00	0.00	1.11
6.71	5.65	2.73	5.62
0.00	0.00	3.73	0.02
0.00	0.00	0.00	1.50
0.61	0.66	0.00	1.69
0.00	0.00	0.00	1.45
0.27	0.00	0.00	1.46
0.88	0.66	3.73	6.12

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.06%	3.21%	2.53%	1.66%
Direct wages	27.17	24.19	24.74	36.30
General factory salaries and wages	5.71	5.19	9.34	0.00
Packing, shipping and delivery wages	1.30	1.04	0.64	1.38
Payroll taxes	2.67	2.13	2.88	2.58
Employee benefits	3.08	2.06	1.73	1.44
TOTAL FACTORY PAYROLL	42.99	37.82	41.86	43.36
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.04	0.01	0.00	0.00
Depreciation - other	5.15	5.60	5.60	6.78
Taxes - real estate	0.04	0.00	0.00	0.00
Taxes - other	0.18	0.36	0.15	0.28
Insurance	0.83	0.74	1.23	1.56
Building rent	2.32	2.85	3.33	3.83
Utilities - heat, light, etc.	1.07	0.49	1.09	0.51
Equipment rental	1.44	2.09	1.63	0.74
Total Fixed Expenses	11.07	12.14	13.03	13.70
Other Expenses				
Factory supplies and expense	1.72	2.16	2.23	3.50
Packing, shipping and delivery expense	1.51	1.09	1.20	0.70
Repairs and maintenance	2.15	2.03	2.02	1.85
Other factory expenses	0.44	0.06	0.23	0.10
Total Other Expenses	5.82	5.34	5.68	6.15
TOTAL FACTORY EXPENSES	16.89	17.48	18.71	19.85
ADMINISTRATIVE EXPENSES				
Salaries - executive	5.82	7.54	5.64	6.40
Salaries - office	2.67	1.71	3.06	1.78
Payroll taxes	0.49	0.41	0.54	0.25
Employee benefits	0.57	0.47	0.43	0.00
Bad debts	0.26	0.42	0.08	0.10
Office supplies and expenses	0.89	1.19	1.36	1.77
Professional fees	0.89	1.39	1.16	1.99
Taxes - business	0.19	0.41	0.12	0.20
Telephone	0.72	0.82	0.91	0.96
Other administrative expenses	2.07	3.12	1.62	2.78
TOTAL ADMINISTRATIVE EXPENSES	14.57	17.48	14.92	16.23
SELLING EXPENSES				
Salaries - executive	1.04	0.88	1.07	0.00
Salaries and commissions - salesmen	3.22	1.82	0.81	0.00
Salaries - sales office clerical	0.42	0.11	0.14	0.00
Payroll taxes	0.23	0.18	0.17	0.00
Employee benefits	0.18	0.14	0.04	0.00
Advertising	0.62	0.93	0.31	0.36
Travel and entertainment	1.29	1.27	1.05	1.86
Other selling expenses	0.57	0.34	0.75	0.00
TOTAL SELLING EXPENSES	7.57	5.67	4.34	2.22

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
3.66%	3.93%	4.33%	0.93%
27.87	17.22	28.12	29.11
5.35	9.34	0.00	3.24
1.27	0.93	1.48	2.77
2.83	2.28	2.24	1.87
3.41	2.23	3.18	4.74
44.39	35.93	39.35	42.66
0.09	0.02	0.00	0.00
5.18	4.90	5.26	3.90
0.08	0.00	0.00	0.00
0.26	0.48	0.04	0.06
0.87	0.39	0.18	0.24
1.70	1.93	3.85	1.36
0.85	0.58	2.22	1.07
1.19	1.35	3.62	0.38
10.22	9.65	15.17	7.01
1.62	1.59	0.34	2.01
1.71	1.44	1.85	1.12
1.99	2.10	3.94	1.74
0.28	0.05	0.65	1.39
5.60	5.18	6.78	6.26
15.82	14.83	21.95	13.27
6.82	9.28	5.20	2.82
2.16	1.34	2.84	3.71
0.54	0.59	0.25	0.32
0.60	0.78	0.33	0.90
0.35	0.70	0.00	0.48
0.87	1.00	0.33	0.35
0.76	1.32	0.78	0.87
0.24	0.58	0.07	0.22
0.68	0.79	0.57	0.54
2.34	3.68	1.17	2.69
15.36	20.06	11.54	12.90
1.13	1.57	0.74	0.83
3.54	3.02	0.44	9.47
0.62	0.19	0.65	0.09
0.26	0.32	0.10	0.29
0.29	0.22	0.10	0.16
0.94	1.46	0.05	0.44
1.60	1.09	0.27	1.33
0.49	0.62	0.00	0.92
8.87	8.49	2.35	13.53

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	5.87%	6.76%	3.43%	2.30%
Receivables	37.51	42.77	37.30	37.81
Inventories	7.51	4.37	8.33	4.75
Other current assets	6.46	2.71	3.20	1.43
TOTAL CURRENT ASSETS	57.35	56.61	52.26	46.29
FIXED ASSETS				
Real estate	2.30	0.00	0.00	0.00
Less: Accumulated depreciation	0.43	0.00	0.00	0.00
	1.87	0.00	0.00	0.00
Machinery and equipment	74.00	76.83	80.10	101.14
Less: Accumulated depreciation	40.69	40.86	42.33	57.42
	33.31	35.97	37.77	43.72
Other fixed assets	6.17	5.15	8.41	10.35
Less: Accumulated depreciation	2.53	1.68	3.60	3.51
	3.64	3.47	4.81	6.84
NET FIXED ASSETS	38.82	39.44	42.58	50.56
OTHER ASSETS	3.83	3.95	5.16	3.15
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	12.00	9.93	14.14	4.80
Accounts payable	12.67	8.89	19.92	11.25
Other current liabilities	8.81	11.36	5.66	4.01
TOTAL CURRENT LIABILITIES	33.48	30.18	39.72	20.06
LONG-TERM LIABILITIES	24.99	25.69	33.62	31.52
TOTAL LIABILITIES	58.47	55.87	73.34	51.58
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.53	44.13	26.66	48.42
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.71	1.88	1.32	2.31
QUICK RATIO	1.49	1.73	1.11	2.07
TOTAL LIABILITIES TO EQUITY	1.41	1.27	2.75	1.07
LONG-TERM LIABILITIES TO EQUITY	0.60	0.58	1.26	0.65
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.53	0.53	0.57

**** Sample insufficient for Profit Leaders.**

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
8.14%	10.18%	4.86%	3.05%
34.20	42.65	46.49	44.43
5.30	2.13	10.59	12.22
8.17	4.03	13.19	1.88
55.81	58.99	75.13	61.58
2.75	0.00	0.00	7.36
0.51	0.00	0.00	1.37
2.24	0.00	0.00	5.99
65.40	63.39	96.21	78.07
30.84	29.68	75.49	50.29
34.56	33.71	20.72	27.78
5.63	2.60	3.72	5.08
1.73	0.52	2.38	3.45
3.90	2.08	1.34	1.63
40.70	35.79	22.06	35.40
3.49	5.22	2.81	3.02
100.00	100.00	100.00	100.00
12.09	14.99	0.45	15.50
7.66	6.94	14.30	15.18
10.21	15.12	8.49	10.52
29.96	37.05	23.24	41.20
25.05	27.32	2.19	22.45
55.01	64.37	25.43	63.65
44.99	35.63	74.57	36.35
100.00	100.00	100.00	100.00
1.86	1.59	3.23	1.49
1.69	1.53	2.78	1.20
1.22	1.81	0.34	1.75
0.56	0.77	0.03	0.62
0.47	0.47	0.78	0.64

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 18,216	$ 19,189	$ 14,526	$ 13,841
Average assets per factory employee (Excluding Executives)	24,564	25,065	19,584	17,807
Average net worth per employee - All employees	8,233	8,495	3,738	6,461
Average gross plant investment per factory employee (Excluding Executives)	20,423	19,034	16,450	18,670
Net worth percentage of fixed assets	187.79%	127.22%	81.01%	105.96%
EMPLOYEES				
Percent factory - All employees	80.43%	83.20%	80.90%	85.19%
Percent administrative - All employees	12.95	12.44	15.35	14.81
Percent sales - All employees	6.62	4.36	3.75	0.00
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 35,189	$ 39,637	$ 29,117	$ 29,601
Sales per factory employee	44,638	48,218	36,790	35,095
Sales less material per factory employee	39,102	44,431	30,271	32,850
Sales per administrative employee	305,332	371,697	177,272	86,536
EXCLUDING EXECUTIVES				
Sales per employee - All employees	40,208	46,129	34,041	35,095
Sales per factory employee	47,763	51,670	39,455	37,328
Sales less material per factory employee	41,759	47,579	32,244	34,904
SALES PER SALESMAN	270,096	216,667	225,702	0
SALES TO CURRENT ASSETS	391%	409%	409%	517%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	57.64%	51.08%	53.77%	51.78%
Factory payroll percentage of gross plant investment	136.10	112.66	109.02	90.30
Payroll per employee - All employees	$ 19,805	$ 20,117	$ 15,290	$ 15,286
Payroll per factory employee	18,414	18,087	14,944	15,279
Payroll per administrative employee	28,007	37,826	16,314	10,854
Payroll per sales employee	21,687	22,414	9,222	0
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 15,381	$ 15,013	$ 12,705	$ 13,938
Payroll per factory employee	15,184	14,978	12,986	14,069
Payroll per administrative employee	12,027	8,133	9,284	5,000
Payroll per sales employee	16,329	13,471	3,631	0
EXECUTIVE PAYROLL				
Payroll per executive - All executives	36,588	35,949	20,242	10,342
Payroll per factory executive	17,834	20,062	11,191	4,667
Payroll per administrative executive	37,660	44,688	21,916	10,523
Payroll per sales executive	16,342	9,846	7,517	0
RECEIVABLES				
Collection period	67.4	73.9	67.8	66.1
PROFIT				
Gross profit percentage of sales	27.73%	36.45%	22.61%	30.67%
Average gross profit per factory employee	$ 13,997	$ 19,309	$ 9,211	$ 11,328
Income before taxes percentage of sales	3.59%	11.55%	2.42%	10.99%
Average income before taxes per employee	$ 1,517	$ 4,837	$ 871	$ 3,281

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 19,466	$ 23,607	$ 21,440	$ 19,098
25,802	31,131	30,516	26,351
9,549	9,474	16,447	6,924
17,946	20,637	41,065	23,790
125.11%	104.74%	946.83%	109.49%
81.42%	81.49%	82.31%	74.03%
11.13	11.06	13.16	14.63
7.45	7.45	4.53	11.34
$ 34,709	$ 46,765	$ 42,192	$ 45,522
43,171	57,777	52,979	61,906
39,659	54,240	43,581	53,387
371,402	561,420	313,518	323,045
40,020	54,547	50,481	47,135
46,433	62,039	59,936	62,652
42,625	58,212	49,331	54,028
229,735	313,333	120,000	369,169
402%	358%	291%	385%
60.35%	53.26%	49.99%	61.26%
146.42	126.87	195.98	110.86
$ 20,329	$ 24,442	$ 19,964	$ 27,748
18,358	20,944	18,840	26,123
35,807	58,305	26,418	24,310
22,845	35,434	16,274	49,158
$ 15,103	$ 16,577	$ 15,366	$ 22,529
14,764	16,517	15,492	21,579
12,403	9,378	14,103	15,140
16,977	19,875	12,454	45,215
35,530	53,124	32,575	80,606
19,951	28,558	24,695	19,163
44,021	66,864	42,267	44,181
15,124	17,723	11,667	44,577
62.4	77.0	84.9	73.5
31.23%	42.93%	20.68%	30.56%
$ 15,509	$ 26,128	$ 13,040	$ 19,437
4.46%	11.97%	4.20%	2.27%
$ 2,048	$ 5,979	$ 1,268	$ 1,031

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 3.01	$ 3.32	$ 1.65	$ 1.12
Receivables	18.16	19.96	18.35	17.93
Inventories	4.16	1.99	5.39	2.20
Marketable securities	3.30	0.00	0.09	0.00
Other current assets	2.15	1.29	1.61	0.60
	30.78	26.56	27.09	21.85
Plant Investment:				
Land and building	2.58	0.00	0.00	0.00
Machinery and equipment	37.13	36.11	40.83	46.16
Other fixed assets	3.27	2.19	4.84	4.34
	42.98	38.30	45.67	50.50
Non-Current Assets	2.05	1.85	2.63	1.68
TOTAL INVESTMENT	75.81	66.71	75.39	74.03
INVESTMENT TURNOVER PER $100 OF SALES	131.91%	149.90%	132.64%	135.08%
EARNINGS				
Cost of Product	$72.27	$63.55	$77.39	$69.33
Selling Expenses	7.57	5.67	4.34	2.22
Administrative Expenses	14.57	17.48	14.92	16.23
	94.41	86.70	96.65	87.78
Income Before Interest, Other Income (Expense), and Taxes	5.59	13.30	3.35	12.22
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.37%	19.94%	4.44%	16.51%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 4.29	$ 5.07	$ 2.48	$ 1.33
16.79	20.67	22.99	19.54
3.10	1.15	5.14	4.88
5.52	0.00	5.55	0.00
2.73	1.97	2.51	0.80
32.43	28.86	38.67	26.55
4.29	0.00	0.00	3.48
34.08	31.83	47.65	33.17
2.86	1.16	1.93	2.42
41.23	32.99	49.58	39.07
1.95	2.33	1.47	1.49
75.61	64.18	89.72	67.11
132.26%	155.81%	111.46%	149.01%
$68.77	$57.07	$79.32	$69.44
8.87	8.49	2.35	13.53
15.36	20.06	11.54	12.90
93.00	85.62	93.21	95.87
7.00	14.38	6.79	4.13
9.26%	22.41%	7.57%	6.15%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	2.72	0.49	0.00
Other chargeable materials	5.12	6.81	5.96
Outside services	15.66	1.90	0.78
TOTAL MATERIAL	23.50	9.20	6.74
FACTORY PAYROLL	40.44	44.23	38.98
FACTORY EXPENSES	13.77	16.09	14.62
TOTAL FACTORY COST OF PRODUCT	77.71	69.52	60.34
GROSS PROFIT	22.29	30.48	39.66
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.19	17.17	21.55
Selling expenses	6.24	7.06	5.74
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.43	24.23	27.29
INCOME BEFORE INTEREST EXPENSE	1.86	6.25	12.37
Interest expense	1.12	1.80	1.21
OPERATING INCOME (LOSS)	0.74	4.45	11.16
Other income (expense)	0.30	(0.59)	(0.36)
INCOME (LOSS) BEFORE INCOME TAXES	1.04	3.86	10.80

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink		0.00%	0.00%
Film		6.81	5.96
Plates		0.00	0.00
Other chargeable materials		0.00	0.00
TOTAL OTHER CHARGEABLE MATERIALS	***	6.81	5.96
OUTSIDE SERVICES			
Composition	0.00%	0.34	0.78
Offset preparation	0.00	0.61	0.00
Printing	15.66	0.00	0.00
Binding	0.00	0.36	0.00
Other outside services	0.00	0.59	0.00
TOTAL OUTSIDE SERVICES	15.66	1.90	0.78

** Sample insufficient for Profit Leaders.
*** Information not submitted.

PUBLISHERS ALL FIRMS	PUBLISHERS PROFIT LEADERS	BOOKS** ALL FIRMS	DIRECT BUYERS** ALL FIRMS
100.00%	100.00%	100.00%	100.00%
4.61	10.06	1.67	3.51
3.19	4.55	3.01	6.59
9.17	0.80	0.36	2.34
16.97	15.41	5.04	12.44
40.96	33.70	39.14	42.16
19.21	21.13	14.96	19.06
77.14	70.24	59.14	73.66
22.86	29.76	40.86	26.34
9.69	8.04	20.21	11.45
5.40	5.87	12.03	11.80
15.09	13.91	32.24	23.25
7.77	15.85	8.62	3.09
1.65	1.13	1.97	3.74
6.12	14.72	6.65	(0.65)
1.31	0.00	(0.83)	(0.01)
7.43	14.72	5.82	(0.66)

0.00%	0.00%		0.03%
2.10	4.55		4.87
0.00	0.00		0.38
1.09	0.00		1.31
3.19	4.55	***	6.59
0.21	0.00		0.00
0.00	0.00		0.00
8.75	0.80		1.76
0.00	0.00		0.58
0.21	0.00		0.00
9.17	0.80	***	2.34

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	3.40%	2.55%	2.51%
Direct wages	32.66	26.04	21.79
General factory salaries and wages	0.00	7.54	8.42
Packing, shipping and delivery wages	0.39	1.98	1.93
Payroll taxes	2.49	2.57	2.61
Employee benefits	1.50	3.55	1.72
TOTAL FACTORY PAYROLL	40.44	44.23	38.98
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.00	0.00	0.00
Depreciation - other	3.53	4.70	4.23
Taxes - real estate	0.02	0.00	0.00
Taxes - other	0.01	0.26	0.40
Insurance	0.45	1.08	0.86
Building rent	3.00	2.04	2.15
Utilities - heat, light, etc.	0.64	1.07	0.43
Equipment rental	2.43	1.22	1.24
Total Fixed Expenses	10.08	10.37	9.31
Other Expenses			
Factory supplies and expense	0.70	1.46	2.03
Packing, shipping and delivery expense	1.27	1.77	2.00
Repairs and maintenance	1.65	2.02	1.28
Other factory expenses	0.07	0.47	0.00
Total Other Expenses	3.69	5.72	5.31
TOTAL FACTORY EXPENSES	13.77	16.09	14.62
ADMINISTRATIVE EXPENSES			
Salaries - executive	6.09	6.29	7.46
Salaries - office	2.22	3.65	2.91
Payroll taxes	0.31	0.74	0.87
Employee benefits	0.42	0.82	0.86
Bad debts	0.16	0.42	0.79
Office supplies and expenses	1.26	0.95	1.34
Professional fees	0.87	0.86	1.10
Taxes - business	0.18	0.27	0.42
Telephone	0.70	0.62	0.82
Other administrative expenses	1.98	2.55	4.98
TOTAL ADMINISTRATIVE EXPENSES	14.19	17.17	21.55
SELLING EXPENSES			
Salaries - executive	1.96	0.77	0.86
Salaries and commissions - salesmen	1.29	3.62	2.31
Salaries - sales office clerical	0.32	0.07	0.13
Payroll taxes	0.25	0.18	0.23
Employee benefits	0.00	0.08	0.13
Advertising	0.17	0.72	1.33
Travel and entertainment	1.25	1.10	0.74
Other selling expenses	1.00	0.52	0.01
TOTAL SELLING EXPENSES	6.24	7.06	5.74

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS**	DIRECT BUYERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
4.51%	7.51%	1.93%	3.39%
22.77	21.19	19.02	28.03
7.55	0.00	10.88	4.18
0.26	0.65	1.46	0.97
2.63	0.85	3.26	2.19
3.24	3.50	2.59	3.40
40.96	33.70	39.14	42.16
0.00	0.00	0.05	0.20
6.59	6.20	6.10	5.31
0.00	0.00	0.00	0.19
0.17	0.40	0.00	0.13
0.61	0.36	1.05	0.70
2.98	3.38	2.81	1.93
1.19	0.57	0.63	1.39
2.32	5.70	0.50	1.27
13.86	16.61	11.14	11.12
1.36	0.50	0.11	2.70
1.03	0.90	0.39	2.37
2.76	3.12	1.84	2.58
0.20	0.00	1.48	0.29
5.35	4.52	3.82	7.94
19.21	21.13	14.96	19.06
3.56	2.62	14.92	3.97
1.79	1.90	0.00	2.87
0.31	0.11	0.20	0.42
0.30	0.40	0.22	0.64
0.11	0.20	0.00	0.24
0.73	0.39	0.41	0.92
0.47	0.38	1.16	0.28
0.34	0.69	0.03	0.01
0.84	0.56	0.77	0.75
1.24	0.79	2.50	1.35
9.69	8.04	20.21	11.45
1.05	2.25	1.59	1.19
1.08	0.65	6.72	5.35
0.98	0.21	0.00	1.07
0.19	0.12	0.41	0.36
0.29	0.36	0.36	0.43
0.53	0.77	0.62	0.88
0.80	0.30	2.02	1.77
0.48	1.21	0.31	0.75
5.40	5.87	12.03	11.80

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	6.87%	6.81%	7.69%
Receivables	39.67	38.42	41.80
Inventories	6.66	5.23	1.30
Other current assets	1.09	2.78	2.01
TOTAL CURRENT ASSETS	54.29	53.24	52.80
FIXED ASSETS			
Real estate	0.00	2.27	0.00
Less: Accumulated depreciation	0.00	0.42	0.00
	0.00	1.85	0.00
Machinery and equipment	51.17	70.45	67.71
Less: Accumulated depreciation	20.35	33.35	31.44
	30.82	37.10	36.27
Other fixed assets	7.74	5.14	2.80
Less: Accumulated depreciation	4.34	1.19	0.53
	3.40	3.95	2.27
NET FIXED ASSETS	34.22	42.90	38.54
OTHER ASSETS	11.49	3.86	8.66
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.26	13.68	14.80
Accounts payable	23.44	8.82	9.91
Other current liabilities	5.19	7.00	4.02
TOTAL CURRENT LIABILITIES	37.89	29.50	28.73
LONG-TERM LIABILITIES	38.46	28.63	35.12
TOTAL LIABILITIES	76.35	58.13	63.85
SHAREHOLDERS' AND PROPRIETORS' EQUITY	23.65	41.87	36.15
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.43	1.80	1.84
QUICK RATIO	1.26	1.63	1.79
TOTAL LIABILITIES TO EQUITY	3.23	1.39	1.77
LONG-TERM LIABILITIES TO EQUITY	1.63	0.68	0.97
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.40	0.47	0.46

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS**	DIRECT BUYERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
5.41%	7.71%	5.99%	4.73%
40.87	51.30	33.39	33.11
16.89	8.27	3.54	7.31
4.42	1.06	17.86	11.01
67.59	68.34	60.78	56.16
0.00	0.00	0.00	7.32
0.00	0.00	0.00	1.36
0.00	0.00	0.00	5.96
82.99	71.64	79.17	85.82
52.71	40.14	47.60	53.73
30.28	31.50	31.57	32.09
4.36	1.13	8.42	5.77
2.34	0.97	2.50	3.67
2.02	0.16	5.92	2.10
32.30	31.66	37.49	40.15
0.11	0.00	1.73	3.69
100.00	100.00	100.00	100.00
17.11	5.01	8.13	10.10
20.41	7.62	3.09	10.79
9.50	14.69	22.70	10.78
47.02	27.32	33.92	31.67
12.91	6.32	32.99	17.42
59.93	33.64	66.91	49.09
40.07	66.36	33.09	50.91
100.00	100.00	100.00	100.00
1.44	2.50	1.79	1.77
1.08	2.20	1.69	1.54
1.50	0.51	2.02	0.96
0.32	0.10	1.00	0.34
0.64	0.56	0.60	0.63

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 12,193	$ 17,475	$ 17,926
Average assets per factory employee (Excluding Executives)	16,514	23,974	24,622
Average net worth per employee - All employees	2,259	7,053	6,520
Average gross plant investment per factory employee (Excluding Executives)	9,426	18,526	16,982
Net worth percentage of fixed assets	118.78%	107.04%	104.63%
EMPLOYEES			
Percent factory - All employees	81.63%	77.76%	77.39%
Percent administrative - All employees	12.43	16.58	16.59
Percent sales - All employees	5.94	5.66	6.02
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 24,861	$ 37,679	$ 38,734
Sales per factory employee	32,069	49,295	50,505
Sales less material per factory employee	24,299	44,577	47,305
Sales per administrative employee	263,503	247,635	258,713
EXCLUDING EXECUTIVES			
Sales per employee - All employees	29,789	42,305	45,013
Sales per factory employee	34,525	51,855	53,414
Sales less material per factory employee	25,951	46,892	49,981
SALES PER SALESMAN	0	340,443	313,333
SALES TO CURRENT ASSETS	396%	418%	421%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	53.27%	60.45%	54.73%
Factory payroll percentage of gross plant investment	163.55	135.88	138.12
Payroll per employee - All employees	$ 13,105	$ 22,507	$ 21,160
Payroll per factory employee	12,216	21,151	19,512
Payroll per administrative employee	20,974	25,157	27,636
Payroll per sales employee	12,305	24,727	19,553
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 10,491	$ 17,823	$ 16,930
Payroll per factory employee	10,384	17,641	17,160
Payroll per administrative employee	12,188	13,606	13,133
Payroll per sales employee	6,574	19,302	10,884
EXECUTIVE PAYROLL			
Payroll per executive - All executives	21,120	45,425	30,953
Payroll per factory executive	15,318	14,597	14,842
Payroll per administrative executive	23,763	38,112	32,614
Payroll per sales executive	11,913	16,497	6,521
RECEIVABLES			
Collection period	66.7	66.2	71.0
PROFIT			
Gross profit percentage of sales	22.29%	30.48%	39.66%
Average gross profit per factory employee	$ 8,478	$ 16,552	$ 21,458
Income(loss) before taxes percentage of sales	1.04%	3.86%	10.80%
Average income (loss) before taxes per employee	$ 327	$ 1,505	$ 4,103

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS**	DIRECT BUYERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 18,769	$ 28,062	$ 16,015	$ 24,894
24,557	37,757	19,420	35,169
8,685	17,509	4,215	15,294
20,235	27,352	16,288	35,977
134.32%	227.24%	85.07%	150.45%
84.66%	85.24%	83.79%	76.22%
9.95	9.43	7.27	12.14
5.39	5.33	8.94	11.64
$ 37,808	$ 54,033	$ 35,749	$ 35,588
44,835	63,520	42,932	47,049
37,182	55,843	40,803	40,802
447,255	697,650	574,625	307,564
44,441	65,101	40,275	41,416
49,761	72,189	43,979	51,714
41,276	63,675	41,786	44,797
210,000	120,000	0	169,464
312%	312%	396%	368%
50.50%	42.33%	63.56%	58.44%
94.71	98.06	106.04	121.62
$ 17,665	$ 23,718	$ 22,699	$ 19,791
16,796	22,108	16,990	18,764
23,374	31,705	95,880	23,884
19,778	36,789	40,695	23,835
$ 12,431	$ 15,048	$ 15,363	$ 16,065
12,637	15,313	13,896	15,748
9,066	10,335	0	16,653
10,407	15,611	36,640	19,998
34,692	46,449	63,924	25,237
28,388	45,243	15,349	19,814
37,355	52,625	94,400	30,172
19,861	31,266	16,800	21,321
71.4	88.5	56.8	69.2
22.86%	29.76%	40.86%	26.34%
$ 13,275	$ 23,938	$ 17,867	$ 13,434
7.43%	14.72%	5.82%	(0.66)%
$ 4,008	$ 8,671	$ 2,095	$ (249)

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 2.93	$ 3.02	$ 3.45
Receivables	18.23	17.78	18.98
Inventories	4.06	2.46	0.67
Marketable securities	0.00	0.05	0.00
Other current assets	0.71	1.20	0.76
	25.93	24.51	23.86
Plant Investment:			
Land and building	0.00	1.07	0.00
Machinery and equipment	27.02	34.48	32.46
Other fixed assets	3.69	2.62	1.19
	30.71	38.17	33.65
Non-Current Assets	5.55	1.74	4.05
TOTAL INVESTMENT	62.19	64.42	61.56
INVESTMENT TURNOVER PER $100 OF SALES	160.80%	155.23%	162.44%
EARNINGS			
Cost of Product	$77.71	$69.52	$60.34
Selling Expenses	6.24	7.06	5.74
Administrative Expenses	14.19	17.17	21.55
	98.14	93.75	87.63
Income, Before Interest, Other Income (Expense), and Taxes	1.86	6.25	12.37
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	2.99%	9.70%	20.09%

** Sample insufficient for Profit Leaders.

PUBLISHERS		BOOKS**	DIRECT BUYERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 2.67	$ 4.18	$ 3.28	$ 3.85
19.47	24.11	15.48	18.37
9.78	3.39	1.56	4.46
1.04	0.00	0.00	13.85
1.31	0.62	7.14	3.50
34.27	32.30	27.46	44.03
0.00	0.00	0.00	11.43
41.31	34.67	33.87	48.36
2.98	0.44	3.21	3.93
44.29	35.11	37.08	63.72
0.09	0.00	0.65	3.09
78.65	67.41	65.19	110.84
127.15%	148.35%	153.40%	90.22%
$77.14	$70.24	$59.14	$73.66
5.40	5.87	12.03	11.80
9.69	8.04	20.21	11.45
92.23	84.15	91.38	96.91
7.77	15.85	8.62	3.09
9.88%	23.51%	13.22%	2.79%

ABSOLUTE DATA TYPOGRAPHERS

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	32	$ 713,000	$1,415,000	$ 44,000
TOTAL - PROFIT LEADERS*	9	349,000	739,000	87,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	9	199,000	362,000	5,000
$500,000-$1,500,000	16	573,000	997,000	41,000
$1,500,000-$3,000,000	3	871,000	1,706,000	73,000
Over $3,000,000	4	2,308,000	5,235,000	123,000
PROFIT LEADERS				
0-$500,000	3	122,000	254,000	27,000
$500,000-$1,500,000	5	425,000	843,000	104,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	4	225,000	459,000	8,000
Advertising Agencies	13	733,000	1,701,000	49,000
Publishers	5	527,000	1,042,000	92,000
Books	2	400,000	928,000	49,000
Direct Buyers	6	1,292,000	2,046,000	17,000
PROFIT LEADERS				
Advertising Agencies	4	297,000	646,000	68,000
Publishers	2	646,000	1,394,000	195,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.